

Chapter VIII
CASHIERING



COMPLIANCE POLICY AND PROCEDURES MANUAL



Sales and Use Tax Department
California State Board of Equalization

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CASHIERING

800.000

INTRODUCTION

800.010

The Board of Equalization is a tax agency, responsible for collecting a significant portion of the revenue of the State of California. Funds processing is a critical task and requires application of uniform guidelines and controls designed to protect the agency, employees and taxpayers from improper or inaccurate disposition of funds. At the same time, the process must expedite availability of funds to the state by ensuring prompt and correct deposits, thereby maximizing interest accrual.

This chapter has been principally compiled to serve the needs of the field office cashier. This position is varied in its duties and is among the most exacting in its demands for adherence to precise and rigid procedures covering all areas of job performance. The cashiering process entails all aspects of receiving, processing, applying, and accounting for funds and supporting documents, and involves a variety of personnel.

Source material for cashiering procedures is found in two manuals, which are:

1. State Administrative Manual (SAM), sections 8000–8099;
2. Board of Equalization Administrative Manual (BEAM), sections 5400–5440.

Information contained in these source manuals shall be controlling over the Cashiering Chapter. The Cashiering Chapter is intended to bring together all cashiering information in one functional source.

This chapter should assist in standardizing employee performance and ensuring quality of cashiering practices throughout the agency's field offices.

COMPLIANCE POLICY AND PROCEDURES MANUAL

ROLES — WHO IS INVOLVED?

805.000

DISTRICT ROLES IN THE CASHIERING PROCESS

805.010

The primary person in the field office cashiering process is, of course, the cashier. However, due to the requirements for controls in the funds handling process and the continuous need for availability of cashiering services during office hours, it is necessary that other individuals be involved. Care must be taken that the separation of duties set forth in the State Administrative Manual are not compromised. Notably, cash security refund duties must not be performed by cashiering personnel. The receipts custodian, however, could prepare refund checks without a conflict in duties.

The following sections give an overview of the various roles performed.

RECEIPTS CUSTODIAN

805.020

The District Receipts Custodian keeps control over Field Receipts, Forms GA-602. This custodian is appointed by the district administrator, and serves both the district and branch offices. This person should not be anyone who handles cash as part of his/her duties. This custodian is responsible for the blank receipt books until assigned, and is then responsible for district copies of individual issued receipts until each book is completed. This person must maintain an adequate supply of receipt books and is responsible for ordering additional books directly from the Headquarters Cashier Unit when restocking is necessary.

MAIL OPENER

805.030

The mail opener in each office is designated by the district administrator to receive all incoming mail. This person controls all payments and documents received by mail until they are transferred directly to the cashier. This transfer must be done at the time the funds are given to the cashier and the transfer (verification of amounts) observed by the mail opener. This transfer must be receipted.

CASHIER

805.040

The Cashier performs the following duties:

- Properly handles and accurately processes all monies and support documents received at field offices.
- Acts as custodian of controlled or press numbered forms: BT-111, BT-111B, and blank cash deposit refund check stock.
- Performs registration functions in conjunction with other employees assigned registration duties.
- Bears responsibility for his/her assigned portion of the Change Fund (not to be confused with the Cash Purchases Fund) which must be kept separate from any other fund in the office.
- Performs other related duties which do not conflict with separation of duties provisions.

BACKUP CASHIER**805.050**

This role is performed by someone who can “step into the shoes” of the regular cashier when that person is preparing the deposit or is not available. This person normally performs other duties, such as registration, but is available to serve as backup cashier when the need arises. Separation of duties provisions must be followed in assigning a backup cashier.

ASSISTANT CASHIER**805.060**

An assistant cashier may be necessary in larger offices. This person may also be the backup cashier. The public service needs of the individual office and staffing availability will determine the need for this role. Again, separation of duties provisions are to be followed.

FIELD REPRESENTATIVE**805.070**

The field representative collects payments and issues receipts to taxpayers in any situation requiring a field call. The payments, receipts and supporting documents are regularly submitted to the cashier for inclusion in the deposit and transmittal process. Field representatives do not collect payments or issue receipts in the field office unless they are the backup cashier.

SUPERVISION**805.080**

Supervisory involvement in the cashiering process is predominantly that of reviewer. It is critical that supervisors have a good understanding of the entire process and make regular checks on the work of employees. Internal Audit staff have recommended regular “spot checks” to maintain fiscal controls. Without regular review, severe problems can result when employees lack proper knowledge, or worse, if they engage in careless behavior or misappropriation. Supervisors and administrators are obligated to periodically verify funds and prepare memoranda related to verifications and exceptions occurring in the cashiering process. Supervisory employees should not participate directly in the cashiering process by processing funds or signing receipts. Such actions are in conflict with the supervisory role.

PLASTIC BANK BAG CUSTODIAN**805.090**

Controls over plastic bank deposit bags are to be maintained as specified in Cashiering Chapter Section **825.060**. Access to bags is limited to the “bag custodian” who is someone other than the cashier, the back-up cashier(s), or the cashiering supervisor.

EXCEPTIONAL CONDITIONS**805.100**

Limited exceptions may be required in the above distribution of duties. In very small branch offices with only one available Program Technician, that person will be the mail opener and the cashier. There would be no one to serve as assistant, and the tax representative in that office might serve as backup in the absence of the cashier. Under these circumstances, it is very important that the supervisor of the branch office regularly reviews the procedures the branch staff follow and inspects their work.

DISTRICT OFFICE CONTROL AND DEPOSIT HANDLING PROCEDURES**805.110**

All written communication concerning controls and deposit handling procedures are to be issued under the district administrator’s signature. Banks should be notified in writing that the district administrator is to be contacted if they receive verbal or written procedural instructions from someone other than themselves.

CASHIERING

TOOLS/ELEMENTS USED IN THE CASHIERING PROCESS

810.000

OVERVIEW

810.010

Listed in this section are tools and elements used in the cashiering process. Cashiering personnel should be aware of their location and purpose.

The following subjects are reviewed:

- Cash Register and/or Cash Box
- Adding Machine
- Change Fund
- Personal Computer — Compliance Control Sheets and MoneyMail Program
- Video Terminal
- Safe
- Courier Service (or employee courier)
- Plastic Bank Deposit Bags — for daily deposits
- Lockable Storage Area — for controlled forms
- Rubber Stamps — for endorsements and return processing
- Receipts Control File

CASH REGISTER/CASH BOX

810.020

Larger Board offices use a cash register when receiving funds, while smaller offices utilize a cash box system. Offices using registers provide cash register receipts, while the other offices must manually write receipts (Form GA-602).

Cash receptacles, which include both register drawers and cash boxes, **must be locked** when not in personal control of the person charged with custody of the receptacle.

The keys for cash receptacles must be kept under the control of the person responsible on a 24 hour basis. It must be on his/her person during the day and either locked in the employee's desk or taken home at night. If the keys are readily available at any time, the security of the system is compromised.

Cash boxes are not to be used to retain unrelated materials or contents. They are to be used for cashiering purposes only.

ADDING MACHINE

810.030

Each person who handles funds and related documents will need an adding machine to perform duties which include balancing of cash drawers/boxes and calculating and reconciling mail receipts. The final adding machine tapes which result from these activities are retained as records and are also used as transfer receipts when funds must be transferred between parties.

CHANGE FUND**810.040**

The cashier and any backup or assistant cashier is the custodian of that portion of the change fund assigned to him/her. The office change fund is divided among all parties required to regularly make change in the office. This includes the cashier, assistant cashier, and backup cashiers. The change fund is reconciled each day in conjunction with each individual balancing his/her cash drawer/box.

Normally, the size of an office change fund is \$50.00, but the Department of Finance has given authority to establish change funds of \$100.00 or more where the need has been established. The office should have safes or facilities that are adequate to safeguard the cash. Should it be necessary to establish new or increased change funds, a written request from the district or area office administrator must be submitted to the Chief of Field Operations. If approved, the Chief of Field Operations will notify the Administrative Services Division, Accounting Section.

Transfer receipts are required in the allocation and transfer of change funds. Details on transfer receipts will be presented later in this chapter. The district or area office administrators are charged with the responsibility for the change funds allocated to their jurisdictions. A transfer receipt, Form STD. 440, will be submitted to the Chief, Administrative Services Division by the administrators when they receive a change fund. The funds will be transmitted by the administrator to a subordinate supervisor who will, in turn, allocate adequate change funds to each employee with cashiering responsibility. A receipt will be taken by the supervisor for each amount so allocated. Any subsequent transfers, whether temporary or permanent, will be accomplished only after the fund is counted by the employees directly concerned and a transfer receipt is given by the person receiving the fund to the person relinquishing it.

When transferring a change fund, three transfer receipt copies are always required, and are distributed as follows: 1. transferee, 2. transferor, and 3. Office Transfer Receipt File. The transferee and transferor must secure their copies of these receipts in an area accessible to only themselves. The office copy of the receipt must be secured by a supervisor not involved in the cashiering process.

An employee other than the custodian of the fund will count it periodically according to the size of the fund (\$200.00 or less, annually, and \$201.01 to \$500.00, quarterly) and report the count to the district administrator. The district administrator or area office administrator will make the certification to the Administrative Services Division, Accounting Section, on Form GA-626.

The change fund is to be used only under specified circumstances. The following restrictions apply to change making and are listed in BEAM section 5411.

Cashier may:

1. Make change in any amount on a cash transaction.
2. Make change of \$10 or less for cashier's checks, money orders, or warrants.

Cashier will not:

1. Withhold receipts for the purpose of establishing or augmenting change funds.
2. Make change in any amount for personal checks.
3. Cash checks or make change for employees.
4. Leave cash drawer unlocked when unattended.

CASHIERING

PERSONAL COMPUTER PROGRAMS

810.050

Two personal computer programs written in the dBase language have been developed which can assist the cashiering process. They are:

- Compliance Control Sheets — generates pre-numbered controlled forms log sheets.
- Money Mail — used by the mail opener to record daily mail receipts. Provides for the input of account numbers and other information received with the payment. Produces a list which is helpful in balancing payments and useful if a transmittal later becomes lost.

VIDEO TERMINAL

810.060

The video terminals connected to the mainframes in Sacramento provide the following services which are of value to employees involved in the cashiering process:

- NAS — Name and Address Search — this program is on the IBM mainframe located at the Teale Data Center. It is accessible using any currently installed computer terminal interface to Teale or the Unisys A-15 mainframe. It has flexibility to search by name, address, and other key information. It is helpful in locating unknown account numbers for remittances with insufficient information.
- PAY — Returns record — to verify if a prior filing exists for a questionable remittance or a return that appears to be a duplicate.
- AR 1 — Accounts Receivable record — to verify a billed accounts receivable balance and produce a remittance support document when a support document is not available.
- AR 7 — Accounts Receivable — when no billed liability exists, or when the payment received must be applied to specific periods (bankruptcy payments, specific requests, etc.).

At the time this chapter was prepared, all of the programs listed above were located on the Board's Unisys mainframe, unless otherwise noted. The Video Terminal Users Guide contains detailed information on how to access and use these and other mainframe programs.

SAFE

810.070

A variety of safes exist throughout the agency. Some of these units provide greater relative security than others. The type of facility in which they are located (state building vs. leased facility) also affects the nature of their usage.

The following standards apply to safes and vaults housing either cash or valuable documents:

1. The combination will be known to as few persons as possible consistent with operating requirements. Except in unusual circumstances, not more than three people shall know the combination.
2. A record will be maintained showing:
 - a. Last date the combination was changed, and
 - b. Names of persons knowing the present combination.

The combination will be changed when it becomes known to any employee(s) no longer associated with the cashiering function, or if any employee having knowledge of the combination leaves the employ of the Board or moves to another office.

SAFE

(CONT.) 810.070

As a deterrent to burglary, SAM Section 8025 indicates the following will be considered in locating a safe:

- The safe should be located where it is visible from the street or road.
- Where practical, a safe should be securely anchored to the building or foundation.
- A light should shine on the safe at night.

Cashiering Chapter Sections **865.080** through **865.088** (these mirror BEAM 5414–5417) give further information regarding cash retention limits and the physical construction and location of safes.

BANK COURIER

810.080

Someone must deliver deposits to the bank. In some offices, a courier service or bank messenger is employed, while in others, agency employees perform this task.

Districts will maintain security for state funds in transit to banks and assure delivery in the most economical way consistent with good practice, district needs, and State Administrative Manual requirements.

All reasonable measures will be taken to prevent undue exposure of Board employees to the hazards of robbery if employees are required to deliver coin and currency to the bank. Districts will use available armored car service to transport collections to banks not now furnishing them with bank messenger service under the following conditions:

If the amount of the coin and currency is in excess of \$3,000

If the cost of the armored car service is reasonable when compared to the time required by two employees to make the deposit.

Special arrangements may be made for armored car service during a particular collection period, or special service when required.

Whenever coin and currency to be deposited exceeds \$3,000 and armored car service is not available or excessively expensive, two district employees will be assigned to deliver the deposit jointly. Exceptionally large deposits may be handled by requesting an escort from the local police department or sheriff's office.

DEPOSIT BAGS

810.090

Several types of plastic deposit bags are in use, since the Board uses several different banks, and night deposit procedures usually differ from daytime deposits.

Typically, the daily deposit is placed in a self-sealing plastic bag. It is critical that instructions on the bag be followed to insure it is properly sealed, otherwise the bag could be secretly opened. See section **825.060** for required procedure on the use of plastic bank bags.

Zippered canvas bags with keyed locks **must not** be used. Numbered plastic bank bags are to be used.

Supplies of plastic deposit bags are obtained from the office's bank branch.

CASHIERING

LOCKABLE STORAGE AREA

810.100

In addition to safes, it is necessary to have other lockable storage areas. Controlled forms which are not controlled by the cashier, such as receipt books, must be stored in such an area. Cash boxes must also be secured in locking desks or similar suitable areas when the responsible person is away during the day. Any employee issued a receipt book must have a lockable area to store his or her book.

RUBBER STAMPS

810.110

A number of rubber stamps are used or encountered in the cashiering process. Stamps and their uses include:

STAMPS	USAGE
Restrictive Endorsement on Checks	Check Endorsement
Signature Lacking	Unsigned check tendered as payment
Absence of Prior Endorsement Guaranteed	Check made payable to the wrong payee
Accepted as Return	To accept Form BT-431 as a return
Headquarters Cashier Unit Address	For envelope containing daily transmittal, Form GA-603
Prepared from Unverified Information furnished by the Taxpayer	Exceptional situations where an employee prepares taxpayer's return
Paid from Security	When applying security with Accounts Receivable Documents

RECEIPTS CONTROL FILE

810.120

Each district receipts custodian must maintain a receipts control file. This file will contain all district office (yellow) copies of receipts issued. It will also contain the acknowledgments showing which employees possess receipts books. Further information is given in Cashiering Chapter Section **820.000**, Receipt Controls.

Typically, a 5" x 8" metal filing box or a section of a file drawer is set aside for this purpose. The information will be under the control of the Receipts Custodian.

COMPLIANCE POLICY AND PROCEDURES MANUAL

CONTROL OF PRESS-NUMBERED FORMS**815.000****CONTROLLED FORMS ORDERS****815.010**

The controlled nature of these documents requires special handling and completion of transfer documents.

- Unused press numbered forms **MUST NEVER** be duplicated or photocopied. When copies are made for instructional or procedural purposes, immediately write "Void" in ink across the face of the copy.
- Press numbered forms **MUST NEVER** be ordered from Headquarters Document Design and Control, Supply or Reproduction Units.
- Press numbered forms, source of supply, order form to use and authorized field office custodian are:

FORM NAME	SOURCE OF SUPPLY	ORDER FORM	FIELD OFFICE CUSTODIAN
BT-111, Certificate of Motor Vehicle or Mobilehome Use Tax Exemption	Headquarters Cashier	GA-1083-A	Field Office Cashier
BT-111-B, Certificate of Vessel Use Tax Exemption	Headquarters Cashier	GA-1083-A	Field Office Cashier
GA-602, Field Receipts Books	Headquarters Cashier	GA-1083-A	Field Office Receipts Custodian (cannot be anyone who receives and receipts money as one of their duties)
Bank Refund Checks	Headquarters Accounting	Phone Call	Field Office Cashier
All other non-press numbered forms	See Board Forms Register	GA-606	Field Office Supply Clerk

ORDERING, RECEIVING AND ACKNOWLEDGMENT

BT-111, BT-111-B and GA-602:

- The Field Office Custodian (FOC) submits an original GA-1083-A and retains a copy for field office records.
- Supply source ships order with an original and one duplicate GA-1083, acknowledgment form.
- FOC verifies all forms listed on the GA-1083 have been received.
- If GA-1083 and stock received do not agree, FOC **must immediately** notify supervisor who will:
 1. compare stock received to GA-1083 and verify discrepancy;
 2. make appropriate corrections on GA-1083;
 3. initial and date each correction made on the GA-1083.
- FOC signs and dates all copies of GA-1083.

CONTROLLED FORMS ORDERS

(CONT.) 815.010

- Original GA-1083 is returned to the Headquarters supply source.
- FOC **must attach** copy of GA-1083-A to corresponding GA-1083 and retain in field office. The file copies of completed GA-1083-A/GA-1083 sets are retained in order to reconcile stock on hand and to determine the frequency and quantity of each press numbered form order.
- GA-1083/GA-1083-A file copy documents **must** be retained for a minimum of three years or until all the stock identified on the document is deleted, **whichever is the latter**.
- FOC will **immediately** list press numbers of forms received on the appropriate log (see section **815.030**). **It is imperative** that the press numbers be logged in at this time.

BLANK REFUND CHECKS:

- Phone request for blank refund checks to Headquarters Accounting Section.
- Headquarters Accounting will prepare the GA-606 and send the original directly to the District Administrator. Headquarters Supply will send the blank checks with a copy of the GA-606 to the district.
- The district cashier will verify that the blank checks received correspond with the GA-606 original and copy.
- The district cashier will sign and date both GA-606 copies, return the original to Headquarters Accounting and retain the copy with the blank check log.

CONTROLLED FORMS STORAGE/SECURITY

815.020

Field Office Custodian (FOC) is **personally** responsible for press number forms until they are issued or transferred. The unused supplies of press numbered forms **must** be secured as per the following:

- While in the FOC's possession forms must be secured in one of the following:
 1. a locked safe drawer (**not on the safe shelf**);
 2. in a storage drawer with a high security bi-axial, individually keyed cam lock with credit card type of key duplication control; or
 3. a bar-locked file cabinet with a changeable combination lock.
- Storage locations used **must only be accessible** to the responsible FOC and the District Administrator (or authorized representative). Pads of forms issued to assistant and backup cashiers by the FOC must be accessible only to them and the District Administrator (or authorized representative).
- Field Receipts, Forms GA-602, are to be kept under the control of the District Receipts Custodian. This custodian is responsible for the blank receipts until assigned. When assigned, the person with control of the receipt book must secure the book at all times.

CONTROLLED FORMS LOGS

815.030

Computer generated logs of blank cash deposit refund check stock and press numbered forms controlled by the office Cashier (excluding GA-602's) are to be kept to reflect their distribution and use.

Form BT-436, Receipt Control, is provided for the use of the Receipts Custodian in assigning and controlling field receipt books (GA-602's). Further information is found in the chapter section on Receipt Controls (**820.000**).

Blank Refund Checks, BT-111 and BT-111-B Authorized PC Generated Logs:

- A personal computer Microsoft Word template which creates pre-numbered log sheets for these press numbered forms **must** be used.
- The logs **must** be stored separately from the forms in a loose leaf binder and retained for six years or until reconciled by Internal Audit, whichever is the latter.
- The press numbered forms log must contain the following for each number listed on the log:
 1. Date press-numbered form is issued.
 2. Initials of field office custodian releasing the form or check stock.
 3. Initials of staff person receiving the form or checks.
 4. Name and/or account number of client/taxpayer receiving the clearance or check

Voided Forms and Checks:

- It is important to note that any controlled forms which are voided, including blank check stock, **must not** be destroyed.
- The word "void" **must** be stamped or written in ink across the face of such documents. The signature portion on voided checks **must** be cut off (See SAM 8041).
- Voided forms **must** be retained for a minimum of three years in the district office. Voided checks are returned to Headquarters Accounting Section.

COMPLIANCE POLICY AND PROCEDURES MANUAL

RECEIPT CONTROLS**820.000****DISTRICT OFFICE CONTROL OF GA-602 RECEIPTS****820.010**

District Receipts Custodian:

- The district administrator shall designate a person as the Receipts Custodian. This must be someone other than a person who handles cash.
- This person will serve the district and branch offices in this capacity.
- The district office receipts custodian will:
 1. maintain an adequate supply of receipt books, Forms GA-602,
 2. store the supply in a locked location (see section **815.020**), accessible to only him/her, and
 3. be responsible for the blank receipts until assigned.
- Resupply will be accomplished by ordering directly from the Headquarters Cashier Unit.
- The sequence of a new supply must be verified immediately upon receipt. Form GA-1083-A is used to order and Form GA-1083 to acknowledge receipt of receipt books.
- A copy of the GA-1083/GA-1083-A request and acknowledgment set **must** be retained by the receipts custodian for control purposes for a minimum of three years or until the stock identified on the document is depleted, **whichever is the latter**.

ISSUING RECEIPT BOOKS**820.020**

The receipts custodian will maintain a control journal, using Form BT-436, Receipt Control. As receipt books are assigned, they will be recorded showing the date assigned, the receipt number, and the name of the person to whom assigned.

The person receiving the receipt book will acknowledge receipt of the book by signing and returning to the receipts custodian the "acknowledgment". The Form BT-436 will also be signed. The acknowledgment will be filed in an "Incomplete" section of a 5" x 8" box or a 5" x 8" section of a file drawer. As the individual issues a receipt, the yellow copy of the receipt will be attached to the back of the acknowledgment in numerical order. If a receipt is missing, a supervisor must be immediately informed.

When the receipt book is being assigned to a branch office cashier or field person, because of the unavailability of that person's signature, the district office receipts custodian should print the person's name on the control ledger. A signature on the Form BT-436 would not be required in this instance. However, a signature is always required on the acknowledgment sheet of the receipt book.

BT-436 (7-83)

RECEIPT CONTROLSTATE BOARD OF EQUALIZATION
DEPARTMENT OF BUSINESS TAXES

RECEIPT BOOK NUMBERS FROM — TO	DATE ASSIGNED	ASSIGNED TO (SIGNATURE)	REASSIGNED RECEIPT #S FROM — TO	DATE TURNED IN REASSIGN	REASSIGNED TO (SIGNATURE)	DATE COMPLETED

When all the receipts in a book are complete, the receipts custodian will show the date completed on the face of the acknowledgment and record the completion date in the control book. The custodian will also verify that all receipts are accounted for and then file the receipts in the section of the file marked "Completed Receipt Books". When the file becomes full, transfer the receipt books to storage for the normal retention period (one year plus current month).

The acknowledgment will be returned to the employee showing that the district office acknowledges receipt of copies of all receipts contained in the receipt book.

SECURITY OF ISSUED RECEIPT BOOKS**820.030**

When receipt books are issued to staff by the receipts custodian, the recipient is responsible for security of the book. An employee issued a receipt book must keep the book locked in their desk, or a compartment in the safe to which only they have access or on his/her person. Receipt books must never be left on top of desks or counters, or placed into desks that do not lock. If a receipt book or an individual receipt is missing, the supervisor is to be notified immediately. If the problem is not immediately resolved, the actions listed in section **820.035** are to be followed.

CASHIERING

LOST OR STOLEN RECEIPT BOOKS

820.035

Lost or stolen receipt books should be reported immediately by the employee to his/her supervisor. The district administrator should then direct a memorandum to the Headquarters Cashier advising of the loss or theft, with copies for the Chief of Field Operations, Deputy Director, Administration, and the Chief, Internal Security and Audit Division.. The memo should name the person to whom the book was issued, the date lost, the inclusive numbers of the unused receipts, a description of conditions leading to the missing book and a recommendation by the administrator on how future occurrences of this type could be avoided.

The Headquarters Cashier will then make this information known to the Board staff and ask them to be alert for receipts bearing the missing numbers.

HEADQUARTERS PROCEDURE FOR COMPLETED RECEIPT BOOKS

820.040

When all white copies of the receipts are received in Headquarters, the Cashier Unit will record that all receipts have been received in the Cashier Unit master receipt control book.

REISSUEANCE OF RECEIPT BOOKS

820.050

Occasionally, a partially completed receipt book will be turned in by a reassigned, retiring, etc., employee. The partial book must be reentered in the control book and reissued by the receipts custodian. To accomplish this, remove the acknowledgment from the file. Enter on it:

"Numbers ____ to ____ reassigned to ____ , date ____".

The person receiving the partially used book will acknowledge receipt by signing the acknowledgment. A notice does not need to be sent to the Headquarters Cashier Unit. Appropriate notations will also be made in the receipt control book at the district office.

Newer receipt books will already have reassignment entry areas preprinted on the acknowledgement sheet. When such entry areas are available, use them instead of the above instructions.

MONTHLY RECEIPT REPORT

802.060

On the morning of the first working day of each month, all persons issued receipt books will be furnished with a Form BT-18, Unused Receipts. The BT-18 should be completed immediately and returned to the field/cashiering supervisor, together with receipt books for the supervisor's verification of unused receipts and signature. The original of the Form BT-18 is given to the receipts custodian for additional verification and retention. At this time, the receipts custodian should check the **used** and **unissued** receipts for continuity. The used receipts should be checked for:

1. Sequence
2. Preparation
3. Date
4. Signature

MONTHLY RECEIPT REPORT

(CONT) 802.060

Form GA-602 receipts in the branch offices should be verified by the branch office supervisor, and the Form BT-18 forwarded to the district office of control on the first working day of each month. The district office receipts custodian shall maintain the principal controls and records of branch office Form GA-602 receipts. This includes issuance of receipt books and verification of issued receipts. Branch offices will retain the goldenrod copy of Form GA-602 attached to the matching Form GA-603, Field Office Cash Transmittal Report. In the event the yellow district office receipt copy is lost in transit to the district office, the information can be reconstructed from the branch copies.

When Forms BT-18, Unused Receipts, are received and all unused and undistributed receipts are accounted for, the district and branch offices should, for control purposes, summarize the totals on Form BT-19, Administrator's Monthly Report of Unused Receipt Books. All copies of the Form BT-19 should be retained by the district office.

Should any irregularity be detected in the sequence of receipts used or unused, the District Administrator, the Chief of Field Operations, Principal Internal Auditor, and Cashier Unit should be advised immediately.

CONTROLS — SECURITY ISSUES**825.000****SEPARATION OF DUTIES****825.010**

The State Administrative Manual contains detailed information regarding separation of duties in all activities connected to funds processing. For field offices, refund processes represent the significant area of concern. Notably, cashiering personnel should not prepare refund checks.

No one person in the field office should perform more than one of the following functions in the preparation and processing of refund checks:

1. Receive and/or deposit remittances
2. Authorize release of security (BT-487-CR)*
3. Prepare refund checks*
4. Sign refund checks**

**The person authorizing release of security or preparing the checks should not be the same person who mails the checks.*

***A specimen of both a manual and facsimile signature, if a facsimile signature is to be used to sign checks, will be retained on file in the Administrative Services Division, Accounting Section when adding and/or deleting a person from the Authorized Signatures File.*

FINGERPRINTING**825.020**

Board employees who, as a normal part of their duties or routinely on a periodic basis, handle money or tax payments must be fingerprinted. This includes those employees, such as cashiers, tax representatives, tax technicians, office assistants or others who routinely pick up and deliver the office mail.

TRANSFER RECEIPTS**825.030**

Transfer receipts are required whenever funds are transferred between different persons, whether the transfer is temporary or permanent. Transfer receipts may be informal, such as when adding machine tapes are signed and dated, or formal, as when using Form STD. 440, Transfer Receipt. The STD. 440 is normally used to transfer formally assigned funds such as a cashier/assistant cashier change fund, a petty cash fund, or a bank deposit from one cashier to another. An adding machine tape, or computer printout, showing a breakdown of the funds being transferred from one person to another is required in all other fund exchanges with the exception of field collections. For field representatives, Form BT-609 serves as the transfer receipt. If the Form STD. 440 is used for all fund transfers in a field or Headquarters office, a breakdown of the funds transferred (adding machine tape or computer printout) must be attached to the transferor and transferee copies of the STD. 440 when the transfer is something other than a formally assigned fund. If transfer receipts are not used, and funds are missing, accountability is lost. Transfer receipts are for the protection of all involved employees. The receiving party counts the funds and acknowledges receipt of all payments transferred, assuming responsibility for loss.

It is essential that prior to any transfer the involved funds balance. This is true for all persons handling funds, including all cashiering personnel and field representatives. Prior to releasing the funds the transferor must observe the transferee count the funds and there must be an agreement as to the amount being transferred. The receipt process must occur immediately.

TRANSFER RECEIPTS

(CONT) 825.030

The cashier and all assistant cashiers (who have accepted payments within the specified deposit period) will balance their collections separately before funds are commingled. This means each cashier will run an adding machine tape on checks, count cash, compare the total of the cash and checks with an individual total from the cash register, and run a tape of supporting documentation. All the totals should agree.

When any employee, other than a field representative who uses the BT-609 as a receipt document, transfers cash or its equivalent to another employee, an adding machine tape or other type of receipt must be given to the person relinquishing the funds, while a copy is also retained by the person receiving the funds. The receipt must be signed and dated by the person receiving the funds. If the person receiving the funds prepares a Form STD. 440, the adding machine tape must be attached and retained along with the STD. 440. The receipts must be retained for a minimum of 90 days in a secured location accessible by only the person holding the receipt.

STD. 440 (REV. 6-62)		TRANSFER RECEIPT	
ORIGINAL — TRANSFEROR	NOT A RECEIPT FOR PAYMENT BY THE PUBLIC		
DUPLICATE — TRANSFeree			
TRIPLICATE — ACCOUNTING			
RECEIVED FROM _____		DATE _____ 19 ____	
_____		SIGNATURE OF TRANSFeree	
_____		21024-750 S-814OM CAM 1	

VERIFICATION/BALANCING

825.040

At the close of the business day, or at the commencement of the next succeeding business day, those offices using cash registers total the register; remove the cash and checks from the cash drawers; count out the change fund(s); run an adding machine tape on the checks; count the cash; compare the total of the cash and checks with the total on the register tape; and run an adding machine tape on the supporting documents. All the totals should agree. If they do not balance, recount the cash, then check the documents to the register tape, check the adding machine tape and the documents for possible error.

If the out-of-balance condition still exists, the cashier will immediately notify the supervisor who will assist in rechecking for possible errors. If the shortage still exists, or there is an unexplained overage, Form GA-924 will be prepared. Refer to the chapter section titled "Cash Discrepancy" for further information.

Those offices using the GA-602 receipt as a counter receipt should follow the same procedure, except to run a tape on the yellow copy of the receipts to serve the same purpose as the cash register tape.

Field representatives' collections, turned in to the cashier, should be kept separate from the cashier's collections until the cash is balanced. Refer to the chapter section titled "Tax Representative's Daily Report" for further information relating to field representatives. These collections, receipts and documents will be consolidated with those taken in the office.

CASHIERING

CASH DISCREPANCY

825.050

Any person entrusted with state money will use diligence in its protection. An employee should immediately report any discrepancy to his/her supervisor.

When a cash shortage occurs, a concise explanation of the circumstances will be prepared on Form GA-924, Field Office Report of Cash Discrepancy. The report will be signed by the person who is accountable for the shortage and that person's supervisor. This report will be reviewed and approved by the District Administrator or authorized designee. A recommendation from the administrator or designee will be made for shortage accountability.

If theft is involved, a copy of the police report should be attached.

Per BEAM 5418, when a cash shortage exceeding \$100.00 is believed to have resulted from a known transaction, the inquiry to the taxpayer should be in writing and a copy of the letter submitted with Form GA-924. This written documentation of the inquiry may be in the form of a confirmation of a telephone inquiry with the taxpayer.

The original and two copies are forwarded with Form GA-603, Field Office Cash Transmittal Report, on the day of the discrepancy (or as soon as possible thereafter) to the Headquarters Cashier Unit.

Cash overages will be included with the transmittal when the person to whom the amount is due cannot be located. A concise explanation will be made on Form GA-924 for review and approval of the district administrator or authorized designee. After approval, the original and duplicates will be forwarded with Form GA-603 on the day of the discrepancy (or as soon as possible thereafter), to the Headquarters Cashier Unit.

A sample of the form to be completed in the event of a cash discrepancy is found at Cashiering Chapter Section **865.061** in the "Report of Deposit" section.

CONTROL OF PRESS NUMBERED PLASTIC BANK BAGS

825.060

All field offices must maintain strict controls over plastic bank bags used to make deposits. These procedures help ensure proper accountability of funds as they pass from the taxpayer, or taxpayer representative, to the bank.

1. When a supply of bags is received from the bank, the press numbers must be verified, the numbers entered in a log, and the bags retained in a secured area with access limited to the "bag custodian" who is someone other than the cashier, the back-up cashier(s), or the cashiering supervisor. The District Administrator or Branch Office supervisor will retain the back-up key or combination to this protected area in a secure manner.
2. The bag custodian is responsible for retaining the log in a secure area, apart from the bags, with the same limited access as is required of the bags. The log must show the following:
 - a. Press numbers of the bags on hand.
 - b. The date a bag is released.
 - c. Who received the bag.
 - d. The press number of the Report of Deposit associated with the bag.
 - e. The press number of the armored car receipt associated with the bag.
3. The press number of the bag will be written on the armored car receipts (all pages) if an armored car service is utilized.

CONTROL OF PRESS NUMBERED PLASTIC BANK BAGS

(CONT.) 825.060

4. The press numbered tear strip, from the plastic bank bag with the same press number, will be attached to the field office copy of the GA-603 covering the same deposit.
5. In the rare instance a bag is not used for its intended deposit (i.e. bag damaged); a supervisor must witness the total destruction of the bag, the log must be so noted giving the specific reason for the destruction of the bag, and the log initialed by the supervisor who witnessed the destruction.

When a bag is destroyed or is unusable, the portion of the tear strip containing the press number will be attached to the back of the page in the plastic bank bag control log containing that number.

6. Supervision must audit these procedures during their quarterly fiscal reviews.
7. Pages in the log must be retained for a minimum of three years from the last issue date on the page.

The head cashier may retain a small supply of bags (no more than ten) in the cashier area if:

1. She/he can secure these bags in the cashier area, and no other person has access to the bags at any time. The District Administrator or Branch Office Supervisor will retain the back-up key or combination to this protected area in a secure manner.
2. She/he will not release any of these bags to any other Board employee with the exception of the bag custodian. If bags are returned to the bag custodian by the cashier the log will be so noted in the presence of the cashier. The appropriate log entries will be initialed by the cashier and the bag custodian, and the bags will be immediately secured.
3. The bags are logged out from the bag custodian and the custodian is informed of the disposition of each bag, including all the required log information. All this information must be given to the bag custodian in reference to previously issued bags before any additional bags are issued to the head cashier.

If a back-up cashier needs to use a bag (i.e. the head cashier is not present to do the deposit) the bag custodian will issue only one bag. At no time will a back-up cashier have more than one unsealed bag in his or her possession. The only exception is when the bank requires two bags for each deposit, one for cash and the other for checks. At no time will a back-up cashier retain unsealed bank bags overnight. If a district or branch office feels there is a need for an assistant or backup cashier to retain bags overnight and/or more than one bag they must obtain approval from the Chief Of Field operations. This approval must be in writing and must be retained with the control log at all times.

The bags retained by the head cashier are only for the use of the head cashier. Any back-up cashier requiring a bag for a deposit must obtain the bag directly from the bag custodian on an as-needed basis.

PAYMENT SOURCES**830.000****GENERAL****830.010**

Payments are typically received from the following sources:

1. Mail
2. Security
3. Public Counter
4. Field Collections

Payments are handled differently, depending on the source. Each source will be reviewed in the sections which follow.

Specific information regarding effective dates of payment and entries to be made by the mail opener/cashier on supporting documents is provided starting at Cashiering Chapter Section **840.000**, Payment Support Documents.

ACCEPTING CASH**830.020**

Cash is generally received by Sales and Use Tax Department field office cashiers and field tax representatives, the Out-of-State District Office, and the Consumer Use Tax Section. The office cashier **must** visually inspect and check all bills, \$20 and over, with a counterfeit detector pen. **This includes all funds received from field tax representatives** (funds having not been previously tested with a counterfeit detector pen).

When cash is accepted by a field tax representative, all bills in denominations of \$20 or greater should be tested with a counterfeit detector pen. If the tax representative is unable to test the bills **in the presence of the taxpayer or taxpayer's representative**, the currency and coin **must** be segregated in individual envelopes bearing the taxpayer's receipt number for each receipt issued. If these funds are transferred to the office cashier, the cashier will then test the bills as indicated above. However, if the funds are to be exchanged for a cashier's check or money order due to overnight retention limitations, the quantity and denomination of all currency **must** be recorded on the BT-609 along with the serial number of all bills of \$20 or greater.

The procedure to follow for counterfeit bills is outlined in CPPM Section **875.050**.

COMPLIANCE POLICY AND PROCEDURES MANUAL

PAYMENTS RECEIVED BY MAIL**831.000****GENERAL MAIL OPENING PROCESS****831.010**

The mail opener receives all incoming mail. This person will control all payments and documents received by mail until they are transferred directly to the head cashier. This person should not relinquish custody of remittances or documents to any person other than the cashier or cashiering staff. Should any other person need information from the remittances, it should be extracted or copied.

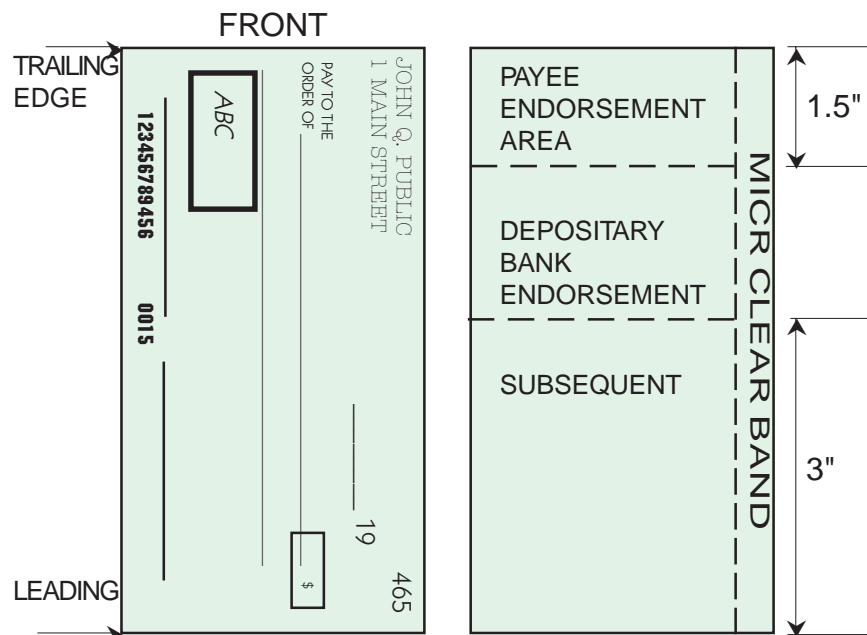
In this section the word “instrument” will be used to refer to negotiable instruments, which include checks, money orders, cashier’s checks, certified checks, and similar items.

Typically, the mail opener does the following:

1. Opens any registered or certified mail. A listing of the contents and date opened are noted on the envelope face. The full account number will also be clearly noted. The envelope will be retained in the district account folder. If there is no district account folder, the envelope may be retained in a district drop file or may be sent to the Headquarters Central Files Section for retention.
2. Immediately after opening the envelope, restrictively endorses all negotiable instruments and attaches them to any document received with the payment. Endorsements must be placed on the back of the instrument within the first 1.5 inches from the trailing edge. This is the area directly behind the left end of the check. This is known as the Payee Endorsement Area. The endorsement must also be outside the MICR clear band, which runs along the back base of the instrument. Each office has an endorsement stamp which should look similar to the following example:

(Bank Name and Branch Number)
For Deposit Only
California State Treasurer
Board of Equalization
(office city, branch ID)

Shown below is an illustration of the endorsement area on checks and other negotiable instruments:



3. Complete any blank payee line on remittances after determining that the payment was intended for our agency. "State Board of Equalization" is the proper information to enter.
4. Identify any personal checks not bearing a signature. These can still be accepted and deposited with the regular bank deposit (SAM 8036). If so deposited, the face of the check must contain the following statement:

**SIGNATURE LACKING
GUARANTEED BY
BOARD OF EQUALIZATION**

5. Prepare a prelisting of any incoming cash and negotiable instruments, not payable to the agency, to localize accountability for these assets (SAM 8020.1). The office cashier must visually inspect and check all bills, \$20 and over, with a counterfeit detector pen before commingling the cash payment with other cash receipts.
6. Locate correct matching account numbers for remittances received without account identification. This may be accomplished by alpha search on a video terminal, or, if unsuccessful, with the assistance of pending files and the office collection department. The correct account number must appear on the face of the instrument and will be written on the instrument if not present.
7. Prepare and/or secure matching support documents for delivery to the cashier. These may be obtained from pending files or the collection department. Many mail payments are already accompanied by the supporting documents, such as returns or billings. The date of receipt is entered on all payment support documents. The location to enter this information for a particular document type is found under the major Cashiering Chapter Sections **840.000**, **841.000**, **842.000** and **843.000**.
8. Run an adding machine tape, with one copy, of all payments, identifying any that are cash. The tapes will be turned over to the cashier with the remittances, and the cashier will immediately verify, sign and date the duplicate tape and return it to the mail opener. The mail opener must observe the verification process and retain the tape in a secure area for a minimum of 90 days.
9. Submit the remittances and documents to the cashier. Envelopes need not be transferred to the cashier if the remittance has been matched to all necessary supporting documents and the appropriate date of receipt information from the envelope has been entered in the appropriate locations on the supporting documents. Otherwise, the envelope will be needed to aid in identification of the account and for entry of the date of receipt information.

It is permissible that the actions presented in items 6 and 7 be performed by the cashier after the transfer of the mail documents. Performing these action prior to transfer can reduce the overall workload of the cashier, and allow him/her to concentrate on the details of cashiering.

CASHIERING

REMITTANCES MAILED IN ERROR TO THE BOARD

831.020

Remittances intended for another governmental office (federal, state or local), or for some private person or firm, are occasionally mailed in error to this Board. When this occurs, the following procedure should be observed:

- a. When the remittance is accompanied by a return or other document indicating clearly that it is intended for another agency, such as the Director of Internal Revenue, Franchise Tax Board, Employment Development Department, etc., the remittance and the accompanying form should be remailed to that office rather than be returned to the sender.
- b. Procedures similar to (a) above should be followed with respect to remittances payable to private persons or firms which are accompanied by statements indicating clearly that the remittances are in payment thereof.
- c. When the remittance is payable to the State Board of Equalization but is accompanied by a document indicating that payment is intended for another agency or person, the remittance and document should be returned to the sender with a letter substantially as follows:

We are returning the enclosed remittance for \$ _____ and accompanying document that should have been sent to _____.

This procedure relates only to remittances clearly intended for some agency or person other than the Board. If a remittance payable to the Board cannot be identified, an arbitrary number should be assigned and the remittance deposited in the usual manner. The letter or other document, if any, together with the envelope in which it was received, should be forwarded to the Cashier Unit with the cash transmittal report. If, within a reasonable period of time, it is claimed by another state agency or person that the remittance taken belongs to that agency or person, the matter will be directed to the supervisor of the Collection Section. If it is determined that the claim is valid, the amount of the remittance will be turned over to the claimant.

IMPROPERLY ADDRESSED REMITTANCES

831.030

Whenever negotiable instruments are received, obviously intended to pay taxes due this Board, but the instrument is payable to another state agency, such as State Controller, Franchise Tax Board or State Treasurer, the instrument may be accepted in the usual manner. In order to negotiate the instrument, a special endorsement in the endorsement area similar to the following is required:

**ABSENCE OF ENDORSEMENT
GUARANTEED BY THE
STATE BOARD OF EQUALIZATION
BY _____**

COMPLIANCE POLICY AND PROCEDURES MANUAL

PAYMENTS — SECURITY**832.000****GENERAL****832.010**

Payments from security are initiated by office staff when they submit a Time Certificate of Deposit or Savings and Loan Certificate to the financial institution for cashing, or, for cash deposits, the cash refunds technician generates a check for application of the security.

Payments from financial institutions for Time Certificates of Deposit and Savings and Loan Certificates will arrive with other mail payments. A system must be in place to allow the mail opener and the cashier to coordinate appropriate use of pre-existing supporting documents.

Supporting documents must be properly completed with respect to effective date of payment and appropriate stamp impressions to insure correct application of funds. Security is usually applied after an account has been closed, and the close out date is used as the effective date of payment. This prevents the accrual of penalty and interest on reporting periods due on or after the close out date, and may reduce interest on other periods of liability. Accounts receivable documents will be marked or stamped "PAID FROM SECURITY".

Specific information regarding final returns and security application notations is found in Cashiering Chapter Section 841.020.

Cash security payments represent a unique situation. Usually only one check is cut by the cash refunds technician. Many supporting documents for assorted accounts are usually included. All accounts will be listed on a Form BT-1035, Report of Cash Deposits Cleared and Special Deposit Account Checks Issued. The cashier must verify that the total of the documents matches the amount of the check, and then prepares a receipt (GA-602) for the payment. Offices with cash registers may instead prepare a cash register receipt. If using Form GA-602, the receipt is not prepared according to the standard rules for a normal receipt. Note that receipt preparation rules are reviewed in the section titled "Receipts".

The following information applies to offices issuing special GA-602 receipts for application of cash security payments.

Date — current date

Received of — enter "Board of Equalization"

Account Number — enter the Report Number of the matching BT-1035

Check the Certified box and write "Board Check" on the line to the right of the box.

Form Number — enter "BT-1035"

Remarks — enter "Applying Cash Security"

Amount and Total — enter the total amount being applied

By — cashier signs the receipt

All supporting documents are kept together as a unit in this situation. They will be transmitted as a unit with a copy of Form BT-1035 and the original and Headquarters copies of the receipt in the daily transmittal.

This chapter section does not set forth all the procedures followed in the security process, but reviews those portions which affect the cashiering function.

COMPLIANCE POLICY AND PROCEDURES MANUAL

CASHIERING

PAYMENTS — PUBLIC COUNTER

833.000

GENERAL

833.010

A cashier will accept all payments received in the office. Receipts will be written as needed, according to the guidelines for preparation of receipts. The office cashier must visually inspect and check all bills, \$20 and over, with a counterfeit detector pen before commingling the cash payment with other cash receipts.

ACCEPTANCE OF CHECKS AND MONEY ORDERS

833.020

Districts will accept personal checks to accommodate the public. Government Code Section 6157 requires the State to accept personal checks if the person issuing the check furnishes proof of California residence and the check is drawn on a California banking institution. An exception to this rule would be remittances drawn on foreign banks that are not payable in U.S. dollars through a U.S. clearing house. Payment by cash, certified check, cashier's check, or money order may be required when a personal check from the taxpayer has been previously dishonored, or when the payment is made to obtain a certificate of tax clearance. Third party checks endorsed to the Board are not accepted by the cashier without supervisory approval.

All negotiable instruments will be restrictively endorsed immediately after receipt. The bank endorsement stamp will be used for this purpose. If the payee space is blank, "State Board of Equalization" will be entered immediately. The account number shall be written on the face of the instrument, if not already present. If a receipt is written, the receipt number shall be written on the back of the instrument in the endorsement area.

OPENING ENVELOPES PERSONALLY DELIVERED TO THE FIELD OFFICE

833.030

When an envelope is delivered in person at a field office, by a taxpayer or the taxpayer's representative, it should be opened in the presence of the individual who presented it. If the person delivering the envelope leaves the office before the envelope is opened, the employee who received or finds the envelope must take it to the office compliance supervisor, or in the compliance supervisor's absence, another supervisor. The supervisor and the employee will then deliver the envelope to the cashier and witness the opening and contents therein. Normal processing steps will then be followed.

PAYMENTS LEFT IN MAIL SLOT OR UNDER DOOR WHILE OFFICE CLOSED

833.040

Envelopes and payments left under the office door or through the mail slot will generally be treated in the same manner as items left at the office as in the preceding section. The employee who finds the item will take it to the supervisor, then they will take the item to the cashier for opening. The effective date of payment is the last business day prior to the day on which the document or item is found.

PREPARATION OF TAX RETURNS BY BOARD EMPLOYEES

833.050

As a general rule, a Board employee should not prepare a return for a taxpayer. In exceptional cases where the taxpayer has difficulty in writing English or is physically incapacitated and unable to write, and produces records and requests that the return be prepared, an employee of the Board may physically assist. In such cases the following notation should be written or stamped on the back of the return: "Prepared from unverified information furnished by the taxpayer", with the signature of the employee beneath the notation.

COMPLIANCE POLICY AND PROCEDURES MANUAL

PAYMENTS — FIELD COLLECTIONS

834.000

TAX REPRESENTATIVE'S DAILY REPORT

834.010

Tax Representatives are required to write receipts for all field collections and record the receipt numbers and their totals on Form BT-609, Tax Representative's Daily Report.

When cash is accepted by a field tax representative, all bills in denominations of \$20 or greater should be tested with a counterfeit detector pen. If the tax representative is unable to test the bills **in the presence of the taxpayer or the taxpayer's representative**, the currency and coin **must** be segregated in individual envelopes bearing the taxpayer's receipt number for each receipt issued. If these funds are transferred to the office cashier, the cashier **must test** all bills \$20 and greater, with a counterfeit detector pen at the time the funds are accepted from the tax representative. However, if the funds are to be exchanged for a cashier's check or money order due to overnight retention limitations, the quantity and denomination of all currency **must** be recorded on the BT-609 along with the serial number of all bills of \$20 or greater.

The collectors should turn in collections, completed receipts and supporting documents to the cashier by an established time each day, preferably by 9:00 a.m., covering the work of the previous day.

Funds held overnight by tax representatives will be subject to overnight retention limitations. These are reviewed in Section **834.040** of this chapter.

Tax representatives are required to adhere to certain guidelines in preparing the BT-609. These guidelines include:

1. Receipts are to be written in consecutive numerical order. The receipt number, including voided receipts, and the amount of the receipt must be listed in sequence to show the taxpayer to whom it was issued.
2. Amounts of receipts written for cash are to be circled. When cash is converted to certified funds, the receipt numbers representing those amounts are to be shown under "Remarks".
3. The total collected is to be shown on the space provided on the BT-609 at the time the representative submits the funds and related documents to the office cashier. The cashier must count the funds, and date and initial the form **in the presence of the representative**, when the receipts are received.
4. All entries for receipt numbers, amounts, cashier's initials and date must be in ink.

As noted previously, the cashier accepts the receipts, collections, supporting documents, and BT-609 from the tax representative. The cashier will check the items submitted and determine that they all agree. The cashier then will date and initial the cashier section of the BT-609, and return it to the tax representative. The tax representative, after making a copy of the BT-609 to retain as a receipt, turns in the BT-609 with completed field assignments to the field supervisor. The supervisor will verify and sign Form BT-609.

Once the BT-609 has been submitted to the supervisor, it cannot be returned to the tax representative. Additional information, or corrections, should be submitted in memo form to the supervisor within 3 working days. The supervisor may then attach the memo to the original BT-609.

The tax representative must retain his/her receipt copy of the BT-609's for a minimum of 90 days in a secured location.

BT-609 REV. 8 (5-66)

TAX REPRESENTATIVE'S DAILY REPORT

STATE BOARD OF EQUALIZATION

DEPARTMENT OF BUSINESS TAXES

ASSIGNMENT

NAME AND ADDRESS

REMARKS

ACCOUNT NUMBER

COM-
PLETED

HOURS

WORK CODES

COLLECTIONS

DAILY EXPENSES

LOCATION

MILEAGE

TIME

MEALS

TOLLS

PARKING

ITEM

OTHER

AMOUNT

TOTAL

HOURS

REMARKS

TOTAL

COLLECTED

DATE RECEIVED

CASHIER

OFFICE:

DATE

4/15/96

CERTIFIED BY TAX REPRESENTATIVE

APPROVED BY SUPERVISOR

Field:

Smith: 2321 5th St. Sacramento

433 — returns

SR KH 28-999999 5

5

1.0

F-33333

500.00

Jones: 1344 7th St. Sacramento

433— reinst.

SR KH 28-999000 3

3

.2

F-33334

50.00

Garcia: 1500 21st St. Sacramento

406 — remaining invm.

SR KH 28-000999 1

1

.3

Taylor: 2555 "N" St. "

86 — no permit

SR KH 28-NONE 1

1

.5

Müller: 200 Fairmont "

433 — returns

SR KH 28-888882 2

2

.5

F-33335

voided

Duncan: 73 42nd St. "

86 — no permit

SR KH 28-NONE 1

1

.5

F-33336

40.00

OFFICE:

DATE

4/15/96

CERTIFIED BY TAX REPRESENTATIVE

APPROVED BY SUPERVISOR

181CNO

25

1080/1400

1.00

CASHIERS

1.00

REMARKS

F-33333 converted to cashiers check

TOTAL

COLLECTED

DATE RECEIVED

CASHIER

CASHIERING

CHECKS AND NEGOTIABLE INSTRUMENTS ACCEPTED BY FIELD REPRESENTATIVES

834.030

All checks, money orders and warrants received will be restrictively endorsed immediately after receipt. Field representatives normally will not have immediate access to the bank endorsement stamp. Field representatives will write in the endorsement area on the back of all checks or money orders "For Deposit Only to State Board of Equalization" immediately upon acceptance of the instrument. If the payee space is blank on any instrument received, the Board's name will be entered immediately. Write the account number on the front of the check and the receipt number on the back of the check within the endorsement area.

CASH COLLECTIONS BY FIELD REPRESENTATIVES

834.040

Cash collection by a field representative will be turned over to the cashier on the day of receipt whenever practical. It is not considered practical for the field representative to make a special trip to the office or go out of his/her way to convert the cash to a money order, etc., until the cash collected exceeds \$500. The action taken should be in accordance with the availability of the following alternatives for disposition or protection of funds:

1. Turn the money in to the office.
2. Purchase a cashier's check or money order payable to the Board. (The cost of the cashier's check or money order will not be deducted from either the cashier's check or the money order but will be paid from the tax representative's own funds. The tax representative will then claim reimbursement on his/her travel expense claim. Note that in many instances, there will be no charge for a cashier's check purchased from a branch of Bank of America.)
3. Deposit the cash in a night depository providing the deposit bag and the deposit is sealed in the presence of two Board employees who will sign the agency copy of the deposit slip indicating that they have verified the coin and currency (cash) portion of the deposit.

Whenever it is physically impossible to take one of the above actions, the field representative will take appropriate action to protect the cash collected. Under all circumstances, the representative will be expected to exercise good judgment and use every precaution to prevent loss.

ACCEPTANCE OF PAYMENTS BY AUDITORS

834.050

Auditors must not accept payments in the office or field. If a taxpayer in the office wishes to make a payment, he or she must be taken to the office cashier for processing of the funds. In instances where a taxpayer in the field insists on making an immediate payment of an audit liability just established, the auditor may call the field office and request that a tax representative contact the taxpayer and arrange for payment of the liability. To the extent reasonable, the tax representative may receipt the payment at the taxpayer's place of business. If this is impractical, the taxpayer should be given an envelope (not postage paid) bearing the local Board office address. Under no circumstances will a tax representative be requested to pick up returns or prepayment forms "as a service to the taxpayer" as it is the taxpayer's responsibility to file and pay in the prescribed manner.

COMPLIANCE POLICY AND PROCEDURES MANUAL

PAYMENT SUPPORT DOCUMENTS

840.000

GENERAL

840.010

Every payment submitted to the Board must have some type of supporting document to identify how and where the payment is to be credited. Many payments are accompanied by such a document, but sometimes only the payment is received. It then becomes necessary to locate or create the supporting document(s). Information on the payment may not be sufficient for this task. Sometimes the sender does not even place an account number on the payment. It is then necessary to find the proper account by alpha search or other appropriate measures, which could include contact with the sender. Supporting documents should be solicited from the office collection department if there is any question regarding the proper application.

There are a variety of supporting forms/documents in use. All of these documents share certain common information:

1. Full account number of taxpayer
2. Name of taxpayer
3. Effective date of payment
4. Amount of Payment
5. Period of Application — In some cases, the document reflects the reporting or liability period to which payment is to be applied, while in others, information must be entered by the person who prepared the document and payment might be applied to several different periods. It is possible to have multiple documents with a single payment, as well as multiple payments with a single document.

Payments can also be received from sources other than the taxpayer as a result of collection or third party action.

UNDERPAYMENTS OR OVERPAYMENTS

840.020

Often, the full or correct amount due from a taxpayer is not paid. When the discrepancy is significant, current policy requires the matter to be billed. When the discrepancy is not significant, the amount is disregarded. The guidelines and their sources are reviewed in the following paragraphs.

Section 13943.2 of the Government Code regulates the amount of underpayments which may be disregarded by a state agency. This section was amended effective June 30, 1984, to set the amount at \$50.00. Current Board policy requires billings for liabilities over \$10.00 for:

1. Late payments, returns, or prepayments
2. No remittance returns or prepayment forms
3. Partial remittance returns or prepayment forms
4. Dishonored checks

Current policy requires billings for liabilities over \$25.00 for:

1. Tax shortages resulting from computational errors
2. Excess tax reimbursement
3. District tax discrepancies
4. Unexplained or unacceptable deductions

Section 16302.1 of the Government Code regulates the amount of overpayments which must be refunded by a state agency. This amount was set at \$10.01 in 1982.

TYPES OF DOCUMENTS

840.030

Support documents fall into three categories:

1. Related to returns
2. Related to accounts receivables
3. Special situations

These categories are reviewed in the subsequent sections.

PAYMENT SUPPORT DOCUMENTS — RETURNS**841.000****GENERAL****841.010**

This category includes returns, prepayment forms, hearing notice returns, adjustments to returns, and correspondence from Headquarters Return Analysis Section related to returns. When processing returns, field offices should only make necessary entries in specified areas, and must not use colored pencils, which are reserved for the use of Headquarters Units. Lead pencil and any manner of colored pen may be used by the field.

RETURNS (BT-401 SERIES)**841.020**

Documents in this form series are tax returns. Completed returns are normally mailed directly by the taxpayer to Headquarters, but should be submitted to the field office when resolving revoked accounts and any other problems.

- a. The mail opener and/or cashier should be alert to potential defects on utility returns manually prepared and furnished by the field offices. The top portion of utility returns should be fully completed when issued. Failure to provide all the account identifying information on a utility return can prevent the taxpayer from receiving proper credit for the return. If this section of the utility return is incomplete or contains faulty information, it should be corrected.
- b. The mail opener and/or cashier, in processing returns or prepayments received at a field office, must be able to properly code the documents as to whether they are partial remittance (PR), no remittance (NR), or overpaid (OP).

When the remittance received with a tax return varies \$10.00 or less from the amount shown to be due on the return, either over or under, the tax return will be accepted as fully paid in the amount of the remittance. Explanations on the return for the difference between the amount shown to be due and the remittance will be disregarded in determining whether the return should be classified as fully paid.

If the return or prepayment is unpaid, the notation "NR" will be entered below the space provided for "Total Amount Due and Payable" at the lower right corner of the document.

If the payment is more than \$10.00 short, the amount actually paid, a check mark, and the notation "PR" will be entered.

If the payment exceeds the amount due on the document, and is not attributable to late charges, the document will be marked with the amount of remittance, a check mark, and the notation "OP". In this last situation, the person processing the document should check to be sure the excess is not intended for another purpose, such as another liability or a reinstatement fee.

The \$10.00 or less limitation should be observed with relation to all taxes administered by the Sales and Use Tax Department and the Special Taxes and Operations Department.

- c. Returns must have specific information entered along their lower left edge, as follows:
1. For returns received over the counter or in the field, the date of receipt is entered in the area marked "RE".
 2. For returns mailed to the office, the postmark date or postal meter impression must be entered in the area marked "PM". If the envelope bears both a postmark date and a postal meter impression date, both dates will be entered on the return. In the event the date information on the envelope is difficult or impossible to read, either the best guess of the date with a circle drawn around it, or the word "illegible" will be entered on the return. The mail openers initials will always be placed following the entry in the "PM" area. This is necessary for the sole purpose of possible later verification that the dates were written on the return at the time the mail was opened and not at some later time. The envelope will be discarded after entering the date information.
 3. The area indicated "REC. NO". is for the cashier's entry of a receipt number or cash register impression, when one is required.
- d. Late returns must have their effective date entered in the special box or area provided near the upper right corner of the form. Further details are found at Cashiering Chapter Section **850.010**, Effective Date of Payment.
- e. Any final returns will be marked or stamped "FINAL" in or near the lower right hand corner.
- f. If security is available and the return is not fully paid, an effort will be made to send the return to Headquarters as a fully paid return with the security payment. The return can be held in the district office for up to five days if the security payment will become available for transmittal in that period. The lower right corner of the return will be marked or stamped "PAID FROM SECURITY", and will show the amount of security being applied with the return and the date of close out.

If the security payment cannot be obtained right away, the notation "SECURITY TO BE APPLIED — DATE OF CLOSE OUT ____" with the close out date should be entered on the return and the return transmitted marked as a "NR" return. When payment becomes available, it will be transmitted on an accounts receivable document specifying the period(s) of application and marked in large letters or stamped "PAID FROM SECURITY".

If security is available, but cannot be applied to a final return because the final return is less than the amount of security and there is a pending close out audit, the return will be sent as a "NR" return to Headquarters. It will be clearly marked or stamped "SECURITY TO BE APPLIED — DATE OF CLOSE OUT ____", with the close out date entered. The security will eventually be applied using an accounts receivable document specifying the periods of application and marked in large letters or stamped "PAID FROM SECURITY".

841.030

BT-401-A (S1F) REV. 68 (10-95)		OVERPAID RETURN		STATE OF CALIFORNIA BOARD OF EQUALIZATION		BOARD USE ONLY	
RE	24.	PENALTY of 10% (.10) is due if payment is made after date shown above. Persons required to make payment by Electronic Funds Transfer may own additional penalties (see line 24 instructions)	PENALTY 24.				.00
	25.	INTEREST: One month's interest is due on tax for each month or fraction of a month that payment is delayed after the due date.	INTEREST 25.				.00
	26.	TOTAL AMOUNT DUE AND PAYABLE (add lines 23, 24 & 25)00
I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.							
<div style="text-align: right;">94.11 ✓ OP</div>							

11.	TOTAL	
12.	TRANS	
13.	STATE	
14.	(a) TR	
	(b) C	
15.	ADJUS	
16.	TRANS	
17.	LOCAL	
18.	DISTR	
19.	TOTAL	
20.	(a) D	
	(b) E	
	(c) E	
	(c) C	
21.	NET T	
22.	Less F	
23.	REMAI	
24.	PENAL	
25.	make p	
	INTER	
	tax for	
	payme	
26.	TOTAL	

REC. NO.	DATE	DESCRIPTION	AMOUNT	REMARKS
11.	06/01/92	TOTAL		
12.	09/28/92	TRANS		
13.		STATE		
14.		(a) TR		
15.		(b) C		
16.		ADJUS		
17.		TRANS		
18.		LOCAL		
19.		DISTR		
20.		TOTAL		
21.		(a) D		
22.		(b) P		
23.		(c) E		
24.		(c) E		
25.		NET T		
26.		Less F		
		REMAI		
		PENAL		
		make p		
		INTER		
		tax for		
		paymen		
		TOTAL		

11.	TOTAL	
12.	TRANS	
13.	STATE	
14.	(a) TR	
	(b) C	
15.	ADJUS	
16.	TRANS	
17.	LOCAL	
18.	DISTR	
19.	TOTAL	
20.	(a) D	
	(b) E	
	(c) E	
21.	NET T	
22.	Less F	
23.	REMAI	
24.	PENAL	
25.	make p	
	INTER	
	tax for	
	paymen	
26.	TOTAL	

(CONT. 1) 841.030

BT-401-A (S1F) REV. 68 (10-95)	STATE OF CALIFORNIA BOARD OF EQUALIZATION	BOARD USE ONLY						
<div style="border: 2px solid black; padding: 10px; display: inline-block; width: 80%;"> FINAL RETURN — SECURITY AVAILABLE — TO BE REMITTED LATER </div>								
RE 26. TOTAL AMOUNT DUE AND PAYABLE (add lines 23, 24 & 25)	e. Persons required ties. (see line 24 instructions)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">PENALTY 24.</td> <td style="width: 40%; text-align: right;">.00</td> </tr> <tr> <td>INTEREST 25.</td> <td style="text-align: right;">.00</td> </tr> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">.00</td> </tr> </table>	PENALTY 24.	.00	INTEREST 25.	.00	\$.00
PENALTY 24.	.00							
INTEREST 25.	.00							
\$.00							
I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.								
FINAL		SECURITY TO BE APPLIED - DATE OF CLOSEOUT						

BT-401-A-LZ (S1) REV 61 (1-94)

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

STATE, LOCAL & DISTRICT SALES & USE TAX RETURN

DUE ON OR BEFORE
FOR
Period
Year

Mail to:

S

BOARD OF EQUALIZATION
P.O. BOX 942879
SACRAMENTO CA 94279-0001

Account Number

Name

Business Address

BOARD USE ONLY

RR - B/A
RR - QS

LOC
REG
ACC
REF

01/04/93

CASHIERING

PREPAYMENT FORMS (BT-1150 SERIES)

841.040

Like returns, these forms can be issued preaddressed from Headquarters or furnished as utility prepayment forms by a field office. Only Sales and Use Taxes are included in the prepayment program. The special entries required on returns (as reviewed in the preceding section) are also required on prepayment forms.

HEARING NOTICES, IN LIEU DOCUMENTS CONSTITUTING A RETURN

841.050

When returns are delinquent (not filed) for most Board accounts, a Notice of Hearing (BT-431) is sent to the taxpayer. A modified tax return format is included with the Notice of Hearing. If the taxpayer files this form and it is sufficiently completed it constitutes a return and will be used as the support document. It is to be rubber stamped in the lower right hand corner on the front of the notice. The impression is similar to the following:

Period
ACCEPTED AS RETURN
Amt. PD.

Be sure to fill in the period and amount paid in the stamped area. Instructions should be followed regarding the notations to be made on "NR" and "PR" returns.

CORRESPONDENCE ACCEPTED AS A RETURN

841.060

Letters or other documents containing sufficient information to constitute a return may be treated as a return. It is permissible to transcribe the return information to a utility return form, with the correspondence attached. Current policy allows the imprint from a rubber stamp to be placed in the lower right corner on the face of the correspondence, after clearly identifying the taxpayer's name and account number at the upper right corner of the document. The document must be of uniform size (8-1/2" x 11") for processing. If smaller, it must be attached to a blank paper prior to processing. If larger, it must be reduced in size or attached to a utility return.

TAX RETURN ADJUSTMENT VOUCHER (BT-1043)

841.070

This document is used to adjust a return previously filed, either upward or downward. When it is used for an upward adjustment it is a payment transmittal document and the full amount due, including interest, must accompany the document. This document cannot be submitted with partial remittance. The BT-1043 cannot be used if a penalty is involved. A penalty applies when the original return was paid late or filed without payment (NR). Common uses for this form include: 1. Tax due on fixtures and equipment upon sale of a business when the amount was not reported on the final tax return; 2. Omissions of taxable sales from a previously filed tax return. The form should be signed by the taxpayer. However, the form can be submitted without the taxpayer's signature when the payment or a signed letter received with the payment clearly identifies the payment and period.

QUESTIONABLE TAX RETURN LETTERS

841.080

The Return Analysis Section sends letters to taxpayers when the accuracy or validity of a tax return is questioned. The taxpayer may return the letter with payment of the disputed amount. Sometimes the taxpayer sends this type of payment/letter combination to a field office instead of directly to Headquarters. When one of these letters is received in a field office with remittance, the letter is to be used as the payment support document. Other supporting documentation relating to the same period received with the letter is to be stapled to the back of the letter.

CORRECTED RETURNS WITH CORRESPONDENCE**841.090**

Situations commonly arise where taxpayers send in correcting information with copies of previously filed returns. The first return filed is considered to be the official return. Subsequently submitted information is for adjusting or correcting purposes only. Check the PAY 1 record on the video system for any suspicious return copies to be sure they are original filings and not subsequent corrections. Do not submit corrected returns as originals. Payments received with such documents could be due on an accounts receivable billing, an unbilled liability, or might belong on a BT-1043, Tax Return Adjustment Voucher.

The effects of submitting additional returns for a period after one has already been filed can be numerous. Duplicate billings, erroneous billings, needless correspondence between the taxpayer and between Board offices all can result from multiple returns being submitted for the same period. Additional returns for a particular reporting period are usually corrected returns, which should be evaluated to determine if the information belongs on Form BT-1043, or if the information should be submitted with a memo to the Return Analysis Section for billing adjustments.

DELINQUENT RETURNS RECEIVED FOLLOWING AN ASSESSMENT**841.100**

When excessively delinquent returns are received, the computer PAY record for the account should be checked. Excessively delinquent returns are returns which were due more than three months earlier. These returns are handled in one of two ways:

1. If the PAY record shows "clear by audit" for the return period, rather than showing the period as still delinquent, the returns should be transmitted to Headquarters Cashier as N.R. and any payment received with the return should be transmitted as an A/R payment. Payments received with such returns are applied to an existing liability for the periods covered by the return documents. A PAY record which shows "clear by audit" means some type of Board assessment has probably been created, which normally takes priority over the subsequently received returns.
2. When excessively delinquent return periods are still shown as delinquent on the computer PAY record the returns are processed with the payment in the normal manner.

District collection personnel should always be notified of any documents which appear to be for excessively delinquent periods. Returns in this category are used to complete an on-line BT-897, Request to Adjust Field Billing Order.

**PAYMENT SUPPORT DOCUMENTS —
ACCOUNTS RECEIVABLES****842.000****GENERAL****842.010**

Accounts receivables are outstanding liabilities which are billed, or will be billed, on the mainframe Accounts Receivable system. Billed items can be reviewed by bringing up AR 1 for the account involved. Reinstatement fees or reimbursement of advance fees from sheriffs or marshals are not accounts receivables and cannot be submitted on AR forms (see Cashiering Chapter Sections **843.010** and **843.030**).

If an accounts receivable item is not yet billed on the mainframe computer system, it is an unbilled item. Unbilled items which should later be billed on the accounts receivable system include:

1. No remittance and partial remittance returns
2. Late returns submitted without full penalty and/or interest
3. Recently dishonored checks
4. Unbilled determinations, including Audits, Field Billing Orders, and Notices of Determination Request

Payments for other purposes normally do not belong on an accounts receivable document, but instead should be submitted with another type of document. Other types of documents are covered in Cashiering Chapter sections beginning at **841.000** and **843.000**.

BILLINGS (BT-1210, BT-1212)**842.020**

Whenever possible, a copy of the billing will be used as the payment support document. Copies will be in the possession of the office collection department or in the file.

The following rules are observed when using Forms BT-1210 or BT-1212 as payment support documents:

- a. The total amount of the payment must be shown to the right of the word "AMOUNT".
- b. The effective date of payment must be placed in the block indicated at the upper right hand corner of the document.
- c. If the payment received is to be applied to specific liability period or periods, the period(s) and subtotal(s) of the liability must be circled and joined with a line. Only those periods and subtotals will be circled toward which the payment is being applied. If a payment covers only a portion of a liability, the period will be circled and the amount to be applied to that period written near the subtotal and circled. Connect the two with a line.
- d. If the payment clears the liability in full with no leftover funds, and there are no non-final liabilities, then it should not be necessary to specify how the payment is to be applied. However, effort should be made to avoid the creation of surplus or "unapplied credits" which later require additional processing.

An example of a Form BT-1212 used as a payment support document is shown at Cashiering Chapter Section **842.030**.

EXAMPLE OF BILLING, FORM BT-1212

842.030

BT-1212-3 FRONT
REV. 4 (1-92)STATE BOARD OF EQUALIZATION
DEPARTMENT OF BUSINESS TAXES
P.O. BOX 942879 SACRAMENTO, CALIFORNIA 94279-0001

RE	PM
EFFECTIVE DATE OF PAYMENT	
MO	01 DAY 11 YEAR 1993

IN REPLY REFER TO:

0072	49060	12/90	MONTHLY
I OWE YOU 800 DOLLARS TAX MONEY CA 99999-9999			

DATE:	ACCOUNT NUMBER		
JANUARY 4, 1993	SR	JH	99-000000

DELINQUENCY			SECURITY		
REASON	C	R	TYPE	AMOUNT	NO.
AUG 1992		X	CASH-DEP	100.00	1
			TOTAL	100.00	1

** DEMAND **		AMOUNT \$ 100.00			
		TAX	INTEREST	PENALTY	TOTAL
RETURN — RET'D CK	12/15/92				
09/01/92 — 09/30/92		450.00	9.00	45.00	504.00
INTEREST TO 01/31/93			.06		.06
PAYMENT 12/17/92		- 100.00			- 100.00
PAYMENT 12/24/92		- 200.00			- 200.00
INT ADJ			- 2.00		- 2.00
RFT — 56666					
SUB-TOTAL		150.00	10.50	45.00	205.50
RETURN - NO PAYMT	01/04/93				
10/01/92 — 10/31/92		545.00	10.90	54.50	610.40
RFT — 56666					
SUB-TOTAL		545.00	10.90	54.50	610.40
TOTAL		695.00	21.40	99.50	815.90
***** PAY THIS AMOUNT					829.54
INTEREST HAS BEEN COMPUTED THROUGH 01/31/93. ADDITIONAL INTEREST OF \$6.95 ACCRUES ON THE AMOUNT OF TAX DUE AT THE MODIFIED ADJUSTED RATE OF 1.000 OF ONE PERCENT (.010000) EACH MONTH, OR FRACTION THEREOF, BEGINNING 02/01/93.					

CASHIERING

VIDEO DISPLAY PRINTOUT (AR 1 AND AR 7)

842.040

These documents are used to apply payments to accounts receivables when a pre-printed billing is not readily available. The AR 1 emulates the BT-1210/1212, while the AR 7 emulates common functions of the BT-424. If no AR 1 record exists, the AR 7 format will be automatically displayed. If the account number entered is not in the mainframe registration file, the following message is displayed: "Please re-enter correct account number or use Form BT-424".

Video display printouts used as payment support documents must begin approximately two (2) inches from the top of the page. This space is needed for processing of the form in Headquarters.

On an AR 1, show application of payment by period if there will be any doubt as to the proper application. The objective is to prevent unapplied credits on the accounts receivable system, which later require additional processing time and are often difficult to resolve. Circumstances requiring specific application of funds may include: Period covered by levy and payment received as a result of the levy; period not covered by bond; protection of lien priority; operation by a fiduciary; interpleader; post-petition period; interest and penalty not claimable in bankruptcy; portion of liability discharged; or payment is to be applied as designated by the tax debtor or co-debtor. Any payments without a period designated are considered "free money". "Free money" is not desirable when it results in the creation of unapplied credits.

Unapplied credits are to be prevented by properly identifying the correct period of payment application. A reasonable effort must be made to identify the period(s) of application. On the AR 7, many unapplied credit problems are caused by error in identifying the period of application. Wrong period ending dates are a common problem.

The following months have only 30 days: April, June, September, and November. All the rest have 31, except February, which has 29 in leap years and 28 in all other years. Note that June and September end the Second and Third Quarters, respectively. Many past errors have involved these periods. Do not use impossible or incorrect dates when specifying the periods for application of payment!

INSTALLMENT REMITTANCE ADVICE (BT-405PC)

842.050

A personal computer program was developed for management of accounts placed on an Installment Payment Proposal. The program generates Form BT-405PC, Installment Remittance Advice, at four monthly intervals. These advices are sent to the taxpayers, who return them with payment. These documents are designed to be completed in the same manner as the AR 1 video display printout.

EXAMPLE OF ADVICE OF PAYMENT (BT-424)

842.060

COUNTER OR FIELD RECEIPT NUMBER	DATE OF POSTMARK, COUNTER OR FIELD RECEIPT	EFFECTIVE DATE OF PAYMENT						
BT-424 REV. 15 (6-83) ADVICE OF PAYMENT		STATE BOARD OF EQUALIZATION DEPARTMENT OF BUSINESS TAXES						
Taxpayer's Name		ACCOUNT NUMBER						
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">TAX</td> <td style="width: 33%;">OFFICE</td> <td style="width: 34%;">NUMBER</td> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> </tr> </table>	TAX	OFFICE	NUMBER			
TAX	OFFICE	NUMBER						
Present Mailing Address		AMOUNT OF PAYMENT						
		\$						
		By District For District						
FORM OF PAYMENT <input type="checkbox"/> Cash <input type="checkbox"/> Money Order <input type="checkbox"/> Certified Check <input type="checkbox"/> Personal Check <input type="checkbox"/> Cashier's Check Other _____								
SOURCE OF PAYMENT FROM SECURITY <input type="checkbox"/> Payment From Security <input type="checkbox"/> Type No. 2A Cash <input type="checkbox"/> Type No. 2B Cash								
APPLICATION OF PAYMENT <input type="checkbox"/> Field audit not yet billed for period: _____ <input type="checkbox"/> Field billing order not yet billed for period: _____								
TAX RETURN OR REPORT <input type="checkbox"/> Previously Filed <input type="checkbox"/> Not Yet Filed for period: _____								
MEMO ITEMS: Notice of Delinquency Charges Notice of Apparent Underpayment of Tax (Tax Shortage) Period: _____								
BILLING: Period: _____ Additional Interest Accrued to \$ _____ Penalty _____ Total Additional Charges (Debit to be entered) _____								
EXPLANATORY REMARKS <div style="display: flex; justify-content: space-between;"> Replacing dishonored check Petition pending </div> <hr/> <hr/> <hr/> <div style="text-align: right;">Prepared by _____</div>								

Form BT-424 is used whenever a payment is received unaccompanied by a return or report form, or the remittance advice copy of a billing or memo notice.

Do no use for reinstatement fees.

CASHIERING

ADVICE OF PAYMENT (BT-424)

842.070

This form is used to specify the application of an accounts receivable payment when other documents are absent or unavailable. Its use has been largely replaced by the other accounts receivable documents, but it still is helpful when the computer system is down and other documents are unavailable.

Space is provided in the left margin of the advice of payment for a cash register imprint which indicates the date payment is received. In those offices not equipped with a cash register, the counter or field receipt number and date are entered in the spaces provided at the top of the form.

The complete name and account number of the account to which payment is to be credited are entered in the spaces provided. When payment is made by a person other than the permit or license holder, the name and address of the payer, together with a statement describing the circumstances, will be entered under "Explanatory Remarks". If a payment is made by a person such as a surety, legal owner of equipment, a dealer etc., the full name, address and status of the payer must be indicated in the "Explanatory Remarks" section of the form.

The "Amount of Payment" block must always show the total amount paid, even though it applies to multiple periods or more than one type of liability. If the payment covers multiple periods, list each period and corresponding payment (tax, interest and penalty) for each period opposite the "Billing" section. If the payment covers more than one type of liability, list the period and the payment for each opposite the appropriate application of payment section. The total of all payments for all periods must equal the amount in the "Amount of Payment" block. A period, whether referring to a tax return, audit, or billing, will show inclusive dates, such as 10/1/90 to 12/31/90, not 4Q90. Again, it is extremely important to enter real dates, since bad information will result in an unapplied credit.

If the payment clears the liability in full, or if it makes no difference to which period the payment applies, and there are no non-final liabilities, then the periods and amounts need not be entered in the "Billing" section. However, unapplied credits are to be prevented, so specific application information must be provided if doubt will exist as to the correct application.

The cashier is to flag all BT-424's or other payment documents to the Petitions Section if a payment is made on an account which is under petition status.

SUCCESSOR'S LIABILITY PAYMENTS — SPECIAL DOCUMENT GUIDELINES

842.080

When Form BT-424 is used as the payment support document for a successor's payment on successor's liability, the successor's name and account number will be entered on the top of the form and the predecessor's name and account number will be entered under "Explanatory Remarks". The period of the successor liability must be shown so the payment will be applied properly.

If the predecessor makes the payment, the predecessor's name and account number will be entered at the top of the form and the successor's name and account number shown under "Explanatory Remarks".

When a billing is used as the transmittal document, it must be the successor billing if the payment is made by the successor and it is to be applied to the successor's liability. If the payment is made by the predecessor, the predecessor's billing must be used as the transmittal document.

STANDARD RULE FOR APPLICATION OF PAYMENTS**842.090**

The standard rule for application of payments is in the following sequence:

- a. As directed by the taxpayer.
- b. As indicated by the district.
- c. Or if the district or taxpayer do not specify a liability period, in the following order:
 1. To tax not yet delinquent.
 2. To determinations not yet final.
 3. To tax.
 4. To penalty.
 5. To interest.
- d. Headquarters Collection Unit may, in accordance with Board policy, change any of the above.

Security payments will be applied first to established liabilities designated as “pending security”. Any excess will be applied in accordance with the standard rule for application of payments.

ADVANCE PAYMENT OF AUDIT LIABILITIES**842.100**

Taxpayers are provided with the information necessary to pay tax deficiencies at the earliest possible date in order to avoid additional interest charges. When it is known or believed that a taxpayer concurs with a significant portion of the additional tax liability disclosed by audit, but the audit will not be completed for an indefinite period, the taxpayer is advised that an advanced payment of the undisputed portion of the audit will stop the accrual of additional interest and could result in substantial savings.

Advanced payments of these unbilled liabilities may be sent to the field office or Headquarters. When submitted to a field office, the support document for such a payment would be either an AR 7 or a BT-424. Payments received at field offices will be processed and become part of the daily transmittal to Headquarters. Payments sent by a taxpayer directly to Headquarters should be sent to the following address:

State Board of Equalization
P.O. Box 942879
Sacramento, CA 94279-0001

All payments should be accompanied by an explanation of the reason for the payment. This includes the taxpayer's account number, the audit period, and a statement that the payment is for an audit deficiency not yet billed. The correct audit period is of particular importance since it allows the payment to be applied automatically when the notice of determination is billed. If the period is incorrect, the payment will remain as an unapplied credit, and additional processing will be required to have the payment applied.

PAYMENT SUPPORT DOCUMENTS — OTHER SITUATIONS**843.000****REINSTATEMENT AFTER REVOCATION — FEE TRANSMITTAL (BT-400 REIN)****843.010**

This form is used when accepting reinstatement fees on revoked accounts. These fees do not reflect on the video records for the taxpayer's account and are intended for a specific purpose so it is imperative that they be applied correctly. For Sales and Use Tax permits, the fee is currently \$50.00 per business location. For User Use Fuel programs the fee is \$50.00 per permit.

REINSTATEMENT FEES — SPECIAL CIRCUMSTANCES (BT-404)**843.015**

Under certain special circumstances, reinstatement fees will be transmitted using Form BT-404. The special cases requiring the use of this form are:

- a. The remittance is in replacement of reinstatement fees previously submitted, but subsequently dishonored by the maker's institution.
- b. The fee was accepted in error and is not due.

As with all reinstatement fees, issuance of a receipt is required, and the receipt number must be included on the form.

CASH DEPOSIT ADVICE (BT-487-C/CR)**843.020**

Some taxpayers are requested to post a security deposit with the Board and are sent or given the Notice of Security Requirements, Form BT-598. Occasionally, the taxpayer chooses to deposit cash, rather than using one of the other methods for posting security. The taxpayer may actually bring or send cash, or send a check or other negotiable instrument. The Board should attempt to obtain such deposits in cash or guaranteed funds (money orders, cashier's checks) in order to avoid any complications from potential bad checks. However, personal checks cannot be refused unless the taxpayer has previously issued a "bad" check to the Board (see Cashiering Chapter Section **833.020**). A Cash Deposit Advice, Form BT-487-C/CR, is prepared by security personnel to record the receipt of security. A receipt must be prepared when accepting cash. Cash security deposits placed on Form BT-487-C/CR are included as part of the daily transmittal.

ADVICE OF MISCELLANEOUS RECEIPTS (GA-904)**843.030**

This form is used to cover repayment of various items, such as advance fees for keepers of law enforcement entities (marshals, sheriffs, or state police); jury fees; sales of office equipment; replacement of salary advances; or any collection other than license fees, cash deposits or taxes.

When the Board issues warrants for collection to law enforcement entities, the Administrative Services Division, Accounting Section, as requested, prepares a check for advance fees made payable to the law enforcement entity. The advance fees are drawn on a special revolving account. The Board must account for all fees withdrawn, and either reimburse the account or apply to the State Controller for replacement of any fees not refunded or collected.

Payments received in field offices from law enforcement entities must therefore be reviewed to see if any reimbursement for advance fees is included in the remittance. When advance fees are included, the field office must use form GA-904, in triplicate, to refund the advance fees to the special account. Any funds in excess of the advance fee amount will be credited toward the accounts receivable balances using appropriate accounts receivable documents.

EXAMPLE OF ADVICE OF MISCELLANEOUS RECEIPTS (GA-904)

843.040

GA-904 REV. 9 (11-87)

STATE BOARD OF EQUALIZATION
FISCAL OFFICE

ADVICE OF MISCELLANEOUS RECEIPTS

SUBMIT TO HEADQUARTERS UNIT

Receipt Number C-001291

HQ Cashier Use:

No. **LEAVE BLANK**Received from: County of San DiegoDate 11/05/92Address: 1600 Pacific Highway, San Diego CA 92101 \$ 500.00

RETURNED WARRANT ADVANCE FEES

Taxpayer T. R. ChhildressAccount # SR KH 28-121981Warrant for Collection# 29,175Issued to John F. Duffy
(SHERIFF, MARSHAL, ETC.)

Fiscal Office Use: 276 Check # _____

SALE OF EQUIPMENT

Survey No. _____ Est. No. _____

Location _____ Sales Tax _____

Replaced in _____ Fiscal Yr. _____

FOR: (Describe in full or attach explanatory correspondence to original.)

Form of Payment: Warrant # 04 -671562 Date Deposited: 11/05/92 Cashier: S. Teller

FOR FISCAL OFFICE USE

To be refunded to _____

Credit or Fund _____

AMOUNT	DATE	CHECK NUMBER	R/A NUMBER

CURRENT FISCAL YEAR

Appropriation _____

Expenditure Code _____

Reimbursement Code _____

Revenue Code _____

PRIOR FISCAL YEAR(S)

Appropriation _____

Original
Duplicate
Triplicate
Quadruplicate:to: HQ Cashier Unit
District Office

EFFECTIVE DATE OF PAYMENT**850.000****EFFECTIVE DATE OF PAYMENT ON TAX RETURNS AND PREPAYMENT FORMS 850.010**

All sales and use tax returns provided by the Board have a preprinted box reserved specifically for the effective date of payment. This date is entered when the return is input into the computer system and shows on the PAY System record. On computer addressed sales and use tax returns, BT-401-A, BT-401-C, BT-401-GS and BT-401-E, the empty box at the bottom of the "Board Use Only" routing section is used for the effective date of payment. Utility type sales and use tax returns and forms, including the BT-401-AC2, BT-401-E2, BT-401-T, BT-1150-A and BT-1150-C, have a shaded box below the account number space. On the BT-1150, Sales and Use Tax Prepayment Form, the shaded box is by itself in the upper right corner of the form.

Field office staff will determine the effective date of each late payment received in the office with a sales and use tax return, consumer use tax return or prepayment form. The effective date of payment will be entered in the effective date box on the form.

Tax returns with both timely and late payments (i.e., a delinquent final return with timely security and a late payment collected from the taxpayer) should show the effective date of the late payment with the date of close-out noted at the bottom of the return. If security is applied and transmitted with a return delinquent on the date of close-out, the effective date of payment is the date of close-out and that date is entered.

Returns with timely payments, whether full or partial, do not require this effective date entry. Use fuel tax returns and prepayment of sales tax on motor vehicle fuel forms do not need an effective date of payment.

If the effective date of payment is handwritten, a number should be entered for the month (5-1-92). If a date stamp is used, the month may be in alpha characters.

If a particular return or form doesn't have a box, the effective date of payment should be written or stamped in red ink and circled in the upper right-hand portion of the form, at least an inch below the top of the form. If current forms are being used, this circumstance should rarely occur.

MAIL REMITTANCES**850.020**

The effective date of payment is the postmark date. If the check, money order, or other negotiable instrument was dated prior to the postmark date, the effective date will be the postmark date. However, if there is correspondence or other dated information not under the control of the taxpayer, such as a registered mail receipt, then that date will be considered the effective date of payment.

Payments delivered by recognized delivery services, such as Federal Express, will be treated in the same manner as payments received through the U.S. Mail.

POSTAL METER DATES**850.030**

Postal meter dates can be controlled by the taxpayer and therefore do not have the same significance as post office cancellation dates. When a postal meter date and a post office cancellation date both appear on an envelope, the post office date is the determining date. If only a postal meter date is present, that date will become the effective date.

**REMITTANCES AND RETURNS DEPOSITED IN
MAIL SLOT WHEN OFFICE IS CLOSED**

850.040

Remittances and returns which are slipped under the door or through the mail slot of any Board office after closing time and found upon opening the office on the next business day, will have an effective date of the last business day preceding the day on which the office is opened and the documents found.

EFFECT OF HOLIDAYS ON DUE DATES

850.050

Legal holidays include any day so appointed by the President of The United States or by the Governor of this State.

When a legal holiday falls on a weekday, the tax will be considered timely if paid on the next business day.

If a legal holiday falls on a Sunday, the following Monday is then a legal holiday and the tax can be paid on Tuesday without penalty or interest if the tax due date was on Saturday, Sunday or Monday.

PAYMENTS RESULTING FROM ENFORCED COLLECTION ACTION

850.060

Sometimes it is necessary to obtain accounts receivable payments through enforced collection action. The effective date for payments obtained in this manner is the date the payment became the property of the Board. Payments obtained by the use of levy procedures should show the date the bank received the levy as the effective date of payment. If the bank fails to indicate the date received on the levy response, estimate the date by subtracting 10 business days from the check date.

Payment obtained through a keeper or other warrant should show the date the payment was collected by the law enforcement entity, not the date the payment was eventually remitted.

EFFECTIVE DATE OF VARIOUS SECURITY PAYMENTS

850.070

A security deposit is generally used as payment toward an account liability after an account has been closed out. Cash, time certificates of deposit, and savings and loan certificates are all considered to be available on the effective date of close out. This prevents the accrual of penalties and/or interest for those periods which were due on or after the effective date of close out. It also stops interest accrual as of the close out date for other periods to which this security is applied.

Other forms of security, such as surety bonds, are not the equivalent of cash and are not readily available without the need for other action, therefore these types of payments are effective when actually received.

CASHIERING

DECISION TABLE — EFFECTIVE DATE OF PAYMENTS FOR RETURNS

850.080

CONDITION

DUE DATE OF PAYMENT FALLS ON WEEKEND OR LEGAL HOLIDAY			Y	Y			
PAYMENT RECEIVED IN POSTMARKED ENVELOPE	Y						
PAYMENT RECEIVED THROUGH MAIL SLOT (NOT MAILED) PRIOR TO 8 AM FIRST BUSINESS DAY AFTER DUE DATE		Y					
PAYMENT RECEIVED IN ANY MANNER (EXCEPT U.S. MAIL OR OTHER COMMERCIAL DELIVERY SERVICE) ON OR BEFORE DUE DATE			Y		Y		
PAYMENT RECEIVED FOR IN FIELD OR OFFICE FIRST BUSINESS DAY AFTER DUE DATE				Y		Y	
PAYMENT RECEIVED AFTER DUE DATE IN POSTAL METERED ENVELOPE							Y

ACTION - EFFECTIVE DATE IS:

POSTMARK DATE	X						
FIRST PRIOR BUSINESS DAY		X		X			
DATE PAYMENT RECEIVED IN OFFICE OR FIELD			X		X	X	
POSTMARK DATE TAKES PRECEDENCE, IF AVAILABLE							X

DECISION TABLE — EFFECTIVE DATE OF ACCOUNTS RECEIVABLE PAYMENTS

850.090

CONDITION - CHECK OR MONEY ORDER IS

DATED PRIOR TO POSTMARK DATE	Y				
DATED SAME DAY AS POSTMARK DATE		Y			
CHECK RECEIVED THROUGH MAIL SLOT (NOT MAILED) PRIOR TO 8 AM			Y		
RECEIVED IN DISTRICT OFFICE (NOT MAILED) AFTER 8 AM				Y	
RESULT OF ENFORCED COLLECTION ACTION BY LEVY OR WARRANT					Y

ACTION - EFFECTIVE DATE OF PAYMENT IS:

POSTMARK DATE	X	X			
FIRST PRIOR BUSINESS DAY			X		
DATE PAYMENT RECEIVED IN DISTRICT OFFICE				X	
DATE FUNDS BECAME BOARD PROPERTY					X

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CASHIERING

RECEIPTS

860.000

RECEIPT FORM GA-602

860.010

Individual receipts must be prepared when:

- a. Payment is made in coin or currency
- b. Payment is received by a field representative
- c. Payment amount is \$5,000 or more (field office to deposit funds)
- d. Payment is to be processed on Form GA-904, Advice of Miscellaneous Receipts
- e. Cash deposits are refunded and a check issued from the total amount payable to the Board
- f. Requested by the taxpayer
- g. Payment is for a reinstatement fee

When a payment covers more than a single systems file (e.g., returns, accounts receivable or security), or covers reinstatement fees and other obligations, field offices are able to prepare the receipt(s) and deposit the payment more efficiently than the Cashier Unit. Therefore, field offices are requested to deposit such payments instead of transmitting them to Headquarters. Field offices are also required to deposit all checks totaling \$5,000 or more.

Field offices may also prepare receipts whenever documentation of payment in guaranteed funds is required.

All receipted negotiable instruments (personal checks, credit union drafts, government payment warrants, money orders, certified or cashier's checks) deposited by the field office must have the receipt number recorded on the back of the check within the payee endorsement area (one and one-half inches from the trailing edge of the check). When a receipt is prepared, it will generally be given to the person making the payment. For cash payments received through the mail, the taxpayer's copy of the receipt should be mailed to the taxpayer. For payments received through the mail other than cash, if the taxpayer does not request a receipt, the taxpayer's copy of any receipt prepared should be stapled to the Headquarters copy and forwarded to the Cashier Unit.

Taxpayer account numbers will be written on the front of all negotiable instruments, whether receipted or not.

PREPARATION OF RECEIPTS

860.020

The cashier and all other authorized representatives will use extra care to be certain each receipt is prepared properly. Although the following sections set forth certain types of errors which may be corrected and how such corrections are to be accomplished, every possible effort is to be made to prepare receipts correctly.

Each receipt issued should be written with a ballpoint pen and must be signed by the person accepting the payment and preparing the receipt.

Only one account number may be shown on each receipt. When accepting a payment for more than one account, a separate receipt must be prepared for each account.


COMPLIANCE POLICY AND PROCEDURES MANUAL

The form of payment is entered on each receipt in the space provided. Payments by cashier's check, certified check or money order will be considered "certified" and that box marked. Checks paid from escrow accounts are also treated as "certified" by the Board, and should be indicated on a receipt by entering "Escrow check" on the line following "Certified". When cash is converted to cashier's check or money order, the conversion should be noted on the receipt in the "Form of Payment" section. Converting cash to certified funds is a procedure which is followed by field representatives when they must retain collections overnight. Further details relating to this procedure are found in the chapter section titled "Cash Collections by Field Representatives".

Amount breakdowns on mixed payments, such as the combination of cash and checks, should be clearly identified on the receipt. This can be done by entering the amount breakdown above the form of payment checkboxes.

The form number of the actual transmittal document(s) is entered in the form number column.

The period and breakdown of tax, interest and penalty may be entered in the remarks section if it is considered desirable or requested by the taxpayer.

 STATE BOARD OF EQUALIZATION 450 N STREET, SACRAMENTO, CALIFORNIA (P.O. BOX 942879, SACRAMENTO, CA 94279-0001)		D 000000 _____ 199____	
RECEIVED OF		ACCOUNT NUMBER	
FORM OF PAYMENT Cash Personal Check Certified _____			
FORM NUMBER	REMARKS	AMOUNT	
STATE BOARD OF EQUALIZATION BY _____		TOTAL	\$

All checks accepted subject to collection

WHITE — Original for Taxpayer
 WHITE — Headquarters Transmittal Copy
 YELLOW — District Office Copy
 GOLDENROD — Branch Office Copy

CASHIERING

VOIDING FORM GA-602 RECEIPTS

860.030

Receipts will be voided when any of the following errors are discovered before delivery of the receipt to the taxpayer:

- a. Error in amount — this means any dollar amount entered on the face of the receipt.
- b. Error in date which affects the incidence of penalty and/or interest.
- c. Extensive errors so as to make the validity of the receipt questionable.

A voided receipt will be clearly marked by showing the reason and stamping or printing the word “VOID” or “CANCELED” in ink across the face of all copies.

Every voided receipt must be approved with the signature of a supervisor on the voided receipt and reference made to the replacement receipt number, when applicable. The Cashier Unit’s copy and the taxpayer’s copy are forwarded with the Daily Transmittal, Form GA-603. The yellow copy is retained by the issuing office.

CORRECTION OF FORM GA-602 RECEIPTS

860.040

The following errors in receipts may be corrected without the necessity of issuing a replacement receipt:

- a. Error in date not affecting penalty and/or interest.
- b. Misspelled name.
- c. Incorrect form number.
- d. Incorrect account number.

Errors of this type may be corrected by lining out the incorrect entry while still leaving it legible and making a corrected entry. Every correction of the date must be approved with the signature of the supervisor beside the correction. The use of correction fluid or tape on a receipt is not allowed.

If the error is found after delivery of the taxpayer’s copy, it may be corrected on the Board’s copies. When a correction of this type is made, it is not necessary to recover or correct the taxpayer’s copy.

PREPARATION OF CASH REGISTER RECEIPTS

860.050

Cash register receipts should show the breakdown between cash and checks if the payment includes both forms of payment.

VOIDING CASH REGISTER RECEIPTS

860.060

Cash register receipts may require the tape to be turned for additional space sufficient to place a “cancellation stamp” imprint and have it initialed by the supervisor. If space is not available for the stamp, draw a line through the item on the tape, mark it “VOID” and have it initialed by the supervisor. Be sure to deduct the erroneous amount from the total at the bottom of the tape unless the register does this automatically when voiding a transaction. (The receipt itself will, of course, be voided.)

ERRONEOUS RECEIPTS DELIVERED TO TAXPAYER**860.070****A. Error in Amount.**

1. When the amount collected is more than shown on the receipt, the error will be brought to the attention of the supervisor. A supplemental receipt will be prepared for the difference and a copy mailed to the taxpayer with a letter of explanation.
2. Whenever a receipt is issued for an amount claimed by the issuer to be more than the amount collected, a thorough investigation of the circumstances will be made. The taxpayer will be contacted and if the taxpayer agrees on the amount actually paid, the taxpayer's copy of the receipt will be recovered, voided, and a replacement receipt issued.

If the taxpayer's copy cannot be recovered, a new receipt is prepared clearly marked at the top as follows:

"Corrected Receipt. Cancels and supersedes Receipt No. _____".

In addition, the taxpayer will be furnished a letter stating the erroneous receipt has been voided and replaced by a new receipt.

3. If, in the case of (2) above, the taxpayer claims that the amount shown on the receipt is correct, no effort should be made to recover the taxpayer's copy at that time, but the matter should be brought at once to the attention of the supervisor and the district administrator.

B. Error in Date.

1. If an erroneous date affecting penalty and interest is not discovered until after delivery of the taxpayer's copy, it will promptly be brought to the attention of the supervisor. The taxpayer will be informed in writing of the error and the Board's copies of the receipt will be corrected and approved with the signature of the supervisor placed near the correction. A copy of the letter is sent to the Cashier Unit.

RECEIPT FOR PAYMENT BY SUCCESSOR**860.080**

When a person who is liable as a successor pays an amount owed by the predecessor, and a GA-602 receipt is necessary, the name and account number of the successor are entered in the spaces provided. Enter under "Remarks" the name and account number of the predecessor and also the fact that the payment is on successor liability. The taxpayer's copy of the receipt is given to the successor making the payment.

RECEIPT FOR A DEPOSIT POSTED BY A PERSON OTHER THAN TAXPAYER**860.090**

When a Type 2B deposit is posted to obtain a tax clearance, and a receipt is necessary, the name and account number of the person liable for the tax are entered in the spaces provided on the receipt.

Enter the name and address of the person who actually posted the deposit in the "Remarks" section. In this same section, the reason for a person other than the taxpayer posting the deposit should also be described. The taxpayer's copy of the receipt is given to the person making the deposit or to that person's agent.

CASHIERING

REPORT OF DEPOSIT

865.000

GENERAL

865.010

All receipted remittances will be deposited in the bank using a Report of Deposit form. All five copies of the Report of Deposit must be completed.

If an office changes banking institutions a different form may be required. The following listing matches the banks to the proper Report of Deposit form:

Report of Deposit

<u>Form Number</u>	<u>Bank</u>
STD. 442	Bank of America
STD. 442P	Bank of America (HQ. use only)
STD. 444	Bank of California
STD. 446	Sanwa Bank of California
STD. 447	Union Bank
STD. 450	U.S. Bank of California

Each office utilizing Report of Deposit forms is responsible for maintaining an adequate supply. Therefore, sufficient turnaround time for filling and mailing the order by the Board's Supply Unit should be considered. When there is a three month supply of the deposit forms remaining in the field office, a new order should be processed.

When there is a revision to the deposit forms, the Administrative Services Division, Accounting Section is notified by the State Treasurer. The Accounting Section will notify the Headquarters Cashier Unit and the Supply Unit of the revisions, and the Supply Unit will send new deposit slips to the affected offices.

USE THE FOLLOWING PROCEDURE WHEN DEPOSITING AT THE TELLER COUNTER OF THE BANK

- All five copies of the Report of Deposit must accompany the deposit to the bank.
- The bank employee will complete the bank use only portion of the Report of Deposit and retain the original and first copy. The State Treasurer copy and two Board copies of the deposit form will be returned to the field office.
- The State Treasurer copy (trip) and remaining state agency (quad) copy of the Report of Deposit are forwarded to the Headquarters Cashier Unit by the cashier with the Field Office Cash Transmittal Report, GA-603.
- The field office making the deposit will retain the last copy of the Report of Deposit (Quint: To State Agency Branch Office) for their files. This copy of the deposit form is to be stapled to the field office copy of the GA-603, Field Office Cash Transmittal Report, replacing the dummy photocopy of the deposit report.
- When depositing at the bank teller counter a photocopy of the Report of Deposit must be made and retained by the cashier with the office copy of the GA-603. This copy of the deposit report is retained until the person making the deposit returns the State Treasurer and state agency copies of the deposit slips, signed and dated. The field office copy of the completed Report of Deposit will then replace the photocopy of the deposit slip previously attached to the GA-603. Having the photocopy of the Report of Deposit with check tape at the office when the deposit is out of the office will make reconstruction and verification much easier should anything happen to the deposit.

(continued)

USE THIS PROCEDURE WHEN DEPOSITING VIA ARMORED CAR, OR NIGHT DEPOSIT

- The employee completing the Report of Deposit **must** sign his/her name in the BOE signature section.
- Indicate the date the Report of Deposit was actually prepared in the BOE Work Date section of the deposit form.
- Write the notation “**carrier pickup**”, or “**night deposit**” in the right hand margin of the deposit form.
- Only the top two copies of the Report of Deposit will be included in the deposit bag or envelope.
- The State Treasurer copy (trip) and remaining state agency copy (quad) of the Report of Deposit are forwarded to the Headquarters Cashier Unit. These two copies of the Report of Deposit **must** be mailed to Headquarters with the Field Office Cash Transmittal Report, GA-603.
- The field office making the deposit will retain the last copy of the Report of Deposit (Quint: To State Agency Branch Office) for their files. This copy of the deposit form is to be stapled to the field office copy of the GA-603, Field Office Cash Transmittal Report.

FIELD OFFICE PROCEDURES**865.020**

After all the cash and checks have been added, remittance documents prepared, balancing completed and the Form GA-603, Field Office Cash Transmittal Report, finished, the Report of Deposit is prepared.

- The checks to be deposited must be stamped with the bank endorsement stamp. (This is to be done immediately upon receiving the check from the taxpayer or removing the check from an envelope.)
- An adding machine tape (original and two copies) will be run of all checks included in the deposit.
 1. The original of the check tape will be stapled to the upper left corner of the Cashier Unit copy of Form GA-603.
 2. One copy of the check tape will be attached to the original bank copy of the Report of Deposit.
 3. The second copy of the check tape will be stapled to the photocopy (dummy copy) of the Report of Deposit when used.
- Form BT-621, Cashier's Daily Report, may be used in balancing the funds and documents in the possession of the cashier prior to preparation of the daily transmittal.

CASHIERING

COMPLETION OF REPORT OF DEPOSIT

865.030

The following sections of the Report of Deposit must be completed:

Branch	— Bank branch number
Location	— Bank address
Agency	— Board of Equalization
Location	— Alpha district/branch identifier and full name of office (i.e., AB — Torrance)
Account No.	— 275
Currency	— Total dollar amount (paper only)
Coin	— Total of all coins (include silver and commemorative non-paper dollars)
Checks	— 1. number of checks included in the deposit must be shown in the box (if no checks, enter 0)
	— 2. total dollar amount of all checks
Total Deposit	— Total currency, coin and checks
Signature	— Person preparing the deposit
Work Date	— Date deposit is prepared
Keyed-By	— Leave blank

Always prepare an error free Report of Deposit. If there are any errors made in preparation of the Report of Deposit, and all copies are still in the possession of the person who prepared the report, no strikeouts should be made. A new Report of Deposit should be completed and the incorrectly prepared report destroyed. If an additional Report of Deposit is required (copies of original report already processed with incorrect information), always show the press number of the original report. Under the work date and keyed-by sections of the additional report type, "CORRECTION TO REPORT NUMBER XXXXX".

The Report of Deposit is a five part carbon form set. Best results are obtained by using a typewriter. If the form is completed with a ball point pen, which is also the case for the signature, be sure to press hard so entries are visible on all copies.

After the Report of Deposit is completed, reviewed for accuracy (including adding the currency, coin and check totals again to be sure they equal the total deposit amount) and compared with the GA-603 to ensure the Report of Deposit information was correctly transcribed, the deposit is ready for transmittal to the bank. When available, a second employee should verify the completion of the Report of Deposit and the field office cash transmittal report. The deposit is to be kept in a secure place, other than a cash drawer, accessible to only the person accountable and responsible for the deposit, while awaiting transportation to the bank.

An example of the Report of Deposit form is shown on the following page.

COMPLETION OF REPORT OF DEPOSIT

(CONT.) 865.030

Report of Deposit Example:

STATE OF CALIFORNIA

REPORT OF DEPOSIT

STD. 442 (REV 9-89)

000000

TO BANK BANK OF AMERICA, NT & SA
BRANCH <i>Lancaster</i>
LOCATION <i>200 Main St., Lancaster, CA 99999</i>
FOR CREDIT TO STATE TREASURER'S DEMAND BANK ACCOUNT
BRANCH SACRAMENTO MAIN 148
LOCATION 900 8TH STREET, SACRAMENTO, CA 95814

For Bank Use Only		AGENCY
TELLER'S STAMP	BOARD OF EQUALIZATION	
	LOCATION <i>ACA — Lancaster</i>	ACCOUNT NO. 275
	CURRENCY	<i>800.00</i>
	COIN	<i>3.68</i>
	ADJ. WIRES, CREDIT CARDS, MISC. ITEMS	—
DATE	CHECKS (PER ATTACHED LISTING)	★ <i>4</i> <i>16,598.21</i>
SIGNATURE	TOTAL DEPOSIT <i>MT</i> <i>17,401.89</i>	
	SIGNATURE <i>X Ana Cashier</i>	WORK DATE <i>01/04/95</i>
	KEYED-BY	

★ AGENCY COMPLETE PER S.A.M 8032.1 (CHECK COUNT)

(MAGNETIC INK CHARACTER RECOGNITION AREA)

(BANK BAG #)

VERIFIER'S INITIAL

ENTER PLASTIC BANK BAG NUMBER HERE

COPY DISTRIBUTION AS SHOWN ON FORM

1. ORIG: TO LOCAL BANK
2. DUP: TO LOCAL BANK
3. TRIP: TO STATE TREASURER
4. QUAD: TO STATE AGENCY
5. QUINT: TO STATE AGENCY BRANCH OFFICE

NOTATION AREA

INSERT CARRIER PICKUP OR NIGHT DEPOSIT HERE
(SEE SECTION **865.010**)

(CARRIER PICKUP OR NIGHT DEPOSIT NOTATION HERE)

ORIG. TO LOCAL BANK

VERIFICATION REQUIREMENTS**865.040**

There are many situations where a second Board employee must verify the currency and coin portion of the deposit, the Report of Deposit and the armored car pickup receipt (and initial and date the Report of Deposit) before the deposit is removed from the Board office. Following are all the deposit processes used by Board field offices and the money verification requirements:

1. Cashier preparing the deposit takes the deposit to the bank during bank's normal operating hours — no secondary currency or coin verification is required. Cashier reviews deposit and Report of Deposit
2. Cashier preparing the deposit, or another Board employee, takes the deposit to the bank as night drop — a second Board employee must verify the currency and coin portion of the deposit, match that information to the Report of Deposit, and initial and date the Report of Deposit.
3. Board employee, other than cashier preparing deposit, takes deposit to bank in a plastic sealable bag — no secondary currency or coin verification is required. Cashier must verify deposit and Report of Deposit. Bag number must be on all copies of report of deposit.
4. Armored car or messenger, other than Board employee, makes deposit — a second Board employee must verify the currency and coin portion of the deposit, the Report of Deposit (initial and date the Report of Deposit) and the courier receipt. The bag number must be on all copies of the Report of Deposit and courier receipt

If armored car service is utilized, a schedule will be prepared showing the time and place of pick up and an approved list of names and signatures of those authorized to pick up and sign for the deposit. The original and all copies of the armored car pick up receipt must be signed by the cashier. The original is sealed in the deposit bag and must be clearly visible through the bag. The courier agent will sign the remaining copies of the numbered receipts. The agent will take the sealed deposit bag, containing the original armored car pickup receipt, and the appropriate number of copies of the receipt required by the bank, to the bank. The cashier will retain one copy of the receipt.

CASHIER UNIT INTERACTION**865.050**

Each day, or as required, field offices forward a Form GA-603, Field Office Cash Transmittal Report, to the Cashier Unit. Attached to the GA-603 are receipts (cash register and field) and supporting documentation identifying the funds deposited by the field office. Any reports of deposit returned by the bank acknowledging receipt of funds are also forwarded with the GA-603.

The Cashier Unit receives two copies of the Report of Deposit from the field offices, the State Treasurer's copy and the state agency (quad) copy. These reports will be reviewed for accuracy and completeness. If the reports are correct, they will be separated and the State Treasurer's copy forwarded to the Treasurer. The state agency copy of the deposit report is retained by the Cashier Unit to be matched against the corresponding GA-603 to ensure the total deposit amounts match.

Extensive verification processes are performed in Headquarters, so field office personnel should always submit documents which are accurately prepared. Headquarters staff typically contact the field office or otherwise investigate situations which reflect incomplete or questionable information.

OVERAGES AND SHORTAGES RESULTING FROM REPORT OF DEPOSIT ERRORS 865.060

The information contained in this section deals with Report of Deposit errors in the “Total Deposit” section, not actual cash discrepancies. Cash discrepancies are the result of receipts not matching collections for any given deposit, and are reviewed separately in the section titled “Cash Discrepancy”. Our concern here is only those errors resulting from incorrect information being placed on the Report of Deposit (SAM 8032.2).

The “Total Deposit” figure shown on the Report of Deposit will be the determining factor as to whether an overage or shortage exists. If the total deposit figure shown on the Report of Deposit is less than the actual deposit, there is an overage. If the total deposit figure shown on the Report of Deposit is more than the actual deposit, there is a shortage.

When an overage occurs, the bank or the Cashier Unit will notify the field office of the error. The field office will initiate an additional Report of Deposit for the amount of the error. These deposit slips will be processed in the same manner as any other Report of Deposit. The press number of the original report of deposit must be shown on the corrected report. Under the work date and keyed-by sections of the additional report type, “CORRECTION TO REPORT NUMBER XXXXX”. The field office will attach their copy of the deposit slip to the corresponding GA-603 when they receive the completed additional Report of Deposit from the bank. The front of the field office copy of the GA-603 should identify the additional Report of Deposit used to clear the overage. The field office will prepare a Form GA-924, Field Office Report of Cash Discrepancy (original and two copies), for the amount of the overage as soon as possible. See Cashiering Chapter **865.061**.

When a shortage occurs, the bank or the Cashier Unit will notify the field office of the error. The field office will prepare an original and two copies of Form GA-924, Field Office Report of Cash Discrepancy (see Cashiering Chapter **865.061**), and forward them to the Cashier Unit immediately. When the Cashier Unit receives the GA-924 from the field indicating the shortage is the result of an incorrect entry in the “Total Deposit” section of the Report of Deposit, they contact the Accounting Section to obtain a Board check to offset the shortage condition.

The Cashier Unit forwards the check to the field office with a memo (see Cashiering Chapter Section **865.062**) identifying the reason for the check and matching it to the appropriate Report of Deposit.

When the field office receives the check and memo from the Cashier Unit, they are to take the check to the bank and attach the memo and a copy of the check to their file copy of the corresponding GA-603. Under no circumstances should the field office prepare another Report of Deposit to accompany the check. To do so will create another shortage. The bank should be asked for a receipt, and the receipt attached to the corresponding field office copy of the GA-603.

CASHIERING

EXAMPLE OF FIELD OFFICE REPORT OF CASH DISCREPANCY (GA-924)

865.061

GA 924 REV. 6 (5-86)

FIELD OFFICE REPORT OF CASH DISCREPANCY

STATE BOARD OF EQUALIZATION
FISCAL MANAGEMENT DIVISION
ACCOUNTING SECTION

DISTRICT _____ DATE _____

PLACE _____

Date of Transmittal _____

Bank and Branch _____

Amount of Transmittal _____

Amount of Bank Deposit _____

Amount of Overage _____

Amount of Shortage _____

Explanation: ☐ Error due to normal change making activity (Under \$10.00)
☐ Other (explain)

Signature of Cashier

Reviewed

Relief from accountability for shortage

☐ is recommended

☐ is not recommended

Signature of Cashier's Supervisor

Signature of Administrator or Authorized Designee

Explanation of overage should include efforts made to locate payor. Explanation of shortage should show cashier used due diligence and followed good cashier practices; that the shortage was such as might be expected in regular course of work.

ATTACH ORIGINAL AND TWO COPIES TO TRANSMITTAL

January 1996

EXAMPLE OF MEMORANDUM — CHECK FOR DEPOSIT SLIP SHORTAGE

865.062

State of California

BOARD OF EQUALIZATION

MEMORANDUM

To: ATTN:Cashier

Date:

From Headquarters Cashier — Sacramento
Sue Hyre (ATSS 473-2729)Subject: CHECK FOR DEPOSIT SLIP NO. _____ SHORTAGE per S.A.M.
8032.2A

The attached check is to guarantee the deposit shortage. Do NOT prepare additional deposit slip. The check is to be given directly to the bank.

CHECK NUMBER _____ DATE _____ AMOUNT \$ _____
PAYABLE TO _____
(Bank Name)

Your transmittal No. _____ dated _____

SH
ATTACHMENTcc: Attached to Transmittal
Internal Audit

CASHIERING

NIGHT DEPOSITS

865.070

Night depository (after banking hours) service is furnished by most banks listed as approved depositories. This service will be used by offices not equipped with proper safes or vaults for safeguarding cash overnight and when the amount exceeds that specified in Section **865.082** (BEAM 5414).

AMOUNT OF CASH HOLDINGS — OVERNIGHT RETENTION OF RECEIPTS

865.080

Because of the hazards of theft, procedures for depositing cash receipts by field office personnel shall be planned to prevent the necessity for making night deposits or for overnight retention of large sums of cash. If it becomes necessary, for practical and unavoidable reasons, to keep cash overnight, these maximum amounts and corresponding safeguards must be observed. Change funds are excluded from the maximum limits.

SAFE REQUIREMENTS

865.082

The following standards apply to all safes purchased for Board use in field offices.

1. General safe design requirements:
 - a. Box type fire safe (must be above floor models only).
 - b. All steel construction — The only exception to this requirement involves the face of the digital lock.
 - c. Minimum of one hour, 350 degree, UL fire rating.
 - d. Recessed door.
 - e. Asbestos-free.
2. Interior design requirements:
 - a. Locking compartments.

Compartments must be constructed of 12 gauge plate steel with 1/8" plate steel doors with continuous steel hinges (minimum requirement).

Compartments must be permanently attached to the interior bottom of the safe. Compartments must be a minimum of 5" wide x 5" high. The depth of the compartment will be the maximum allowed based on the depth of the interior of the safe.

The minimum number of compartments required is equal to the number of change funds plus two (i.e., if there are two change funds, one for the cashier and one for the back-up/assistant cashier(s), there must be four compartments).
 - b. In addition to the locking compartments, each safe shall have sufficient interior space to allow for storage.
3. Safe locks.
 - a. All exterior safe locks shall be digital keypad locks.

The lock must have a key controlled combination change switch, providing district management with the ability to make combination changes.

The lock shall be of a type that can be wired into an office alarm system.

The lock must have AC power capability with battery back-up and a low battery indicator.
 - b. Each interior locking compartment must be keyed with a high security bi-axle cam lock. No two locks may be keyed alike.
 - c. Locks and respective keys must be stamped or etched with alpha and/or numeric identifier(s) unique to the office of installation.

4. Safe size/weight requirements.
 - a. Safes with a minimum inside capacity of 2,160 cubic inches must weigh at least 200 pounds. The approximate inside dimensions of this safe are 115-1/2" high x 11-1/2" wide x 12" deep. This safe would be sufficient for small branch offices with only one change fund.
 - b. Safes with a minimum inside capacity of 5,875 cubic inches must weigh at least 400 pounds. The approximate inside dimensions of this safe are 18" high x 18" wide x 18" deep. This safe would be sufficient for all medium to large branch offices and small district offices with only two change funds.
 - c. Safes with a minimum inside capacity between 5,875 and 9.125 cubic inches must weigh at least 550 pounds. The approximate inside dimensions of this safe are 28" high x 18" wide x 18" deep. This safe would be sufficient for all medium to large district offices with two or more change funds.
5. Safe installation.
 - a. All wheels must be removed.
 - b. The safe must be bolted to the floor.
 - c. Care must be taken to ensure proper weight distribution of the safe to the building structure. This is especially critical when the safe is being installed on a floor surface other than the main floor foundation. It may be necessary to place the safe on a steel plate to distribute the weight over a larger area. If there is any question in this area the building owner/manager should be contacted prior to purchase and installation.

LIMITS OF CASH HOLDINGS**865.084**

1. Field offices with proper approval from the Deputy Director, Administration Department (see section **865.086**), and one of the following types of safes may retain more than \$2,500. Approval must be requested for each office individually.
 - a. One of the safes identified in Section **865.082**.
 - b. A safe constructed entirely of steel and bolted to the floor.
 - There must be at least one locking compartment permanently attached to the inside of the safe and the compartment can be no smaller than 5" high x 5" wide x 12" deep.
 - The lock on the compartment must be a high security bi-axle cam lock.
 - The safe must have a tumbler type combination lock or a digital lock, either of which must have a combination that is changeable.
2. Field offices with any of the following types of safes, listed in the order of desirability, may retain up to \$2,500:
 - a. A safe identified in Section **865.082** (BEAM 5414) or 1(b) above.
 - b. A safe permanently installed in the floor so that the door of the safe is at floor level.
 - c. A safe bolted to the floor or foundation.
 - d. A safe encased in concrete in a steel cladding with welded reinforcing angles supporting the safe. This safe with cladding must weigh at least 750 pounds and must not have wheels.

CASHIERING

LIMITS OF CASH HOLDINGS

(CONT.) 865.084

3. Field offices with safes other than those described in (2) above may retain up to \$500.
4. Field offices without safes may retain up to \$100 if the cash is locked in a cabinet, desk, file or other comparable device.

Cash receipts in excess of the above limits will require that a bank deposit, more than one daily deposit, or a night deposit be made. Restrictively endorsed checks do not fall within the scope of these limits.

When collections, cash or checks, are retained overnight, the supporting documents must be sorted and filed apart from the collections so that in the event of loss of the money, the transactions can be reconstructed.

APPROVAL FOR RETENTION OF CASH RECEIPTS IN EXCESS OF \$2,500

865.086

Approval for retention of cash receipts in excess of \$2,500 may be obtained based on a well documented need. To seek approval, the District Administrator must send a written request to the Chief of Field Operations providing the following information.

1. The existing authorized cash retention limit of the office requesting the increase.
2. A description of the safe to be used in housing the cash being retained overnight. This description must include:
 - a. Type of safe:
 - Make and model.
 - Safe construction (i.e., steel, concrete).
 - Weight of safe (if identified).
 - Type of lock on exterior of safe (i.e., tumbler combination, digital pad combination).
 - b. Safe interior:
 - Number of lockable compartments in the safe.
 - How the compartments are attached to the inside of the safe.
 - The type of lock(s) on the compartment door(s). The brand name and identification number must be provided if shown on the lock.
 - If these locks are new or if they have just been re-keyed and how duplication of the keys is controlled.
 - The current distribution of keys to these compartments.
3. The amount the field office wishes to use as its new maximum cash retention figure.
4. The dates on which night deposits were required because cash on hand exceeded the current maximum limit. Schedule these dates and identify the total amount of cash included in each night deposit. This schedule should cover at least a current three month period, and the period must be shown on the schedule.
5. Other documentation including, but not limited to items such as:
 - a. Reason(s) for not making night deposits.
 - b. Field office procedure for making its normal daily deposits (board staff, armored courier).
 - c. Distance from the field office to the bank where the deposit is made.
 - d. Location of a closer qualifying bank providing adequate night deposit services.

APPROVAL FOR RETENTION OF CASH RECEIPTS IN EXCESS OF \$2,500

(CONT.) 865.086

The Chief of Field Operations will review the request to ensure appropriate documentation has been provided and the request appears to have merit. The request will then be forwarded to the Principal Internal Auditor who may perform a fiscal audit of selected cashiering functions to determine if the field office accountability procedures are adequate for an overnight cash retention increase. The Principal Internal Auditor will provide a report to the Chief of Field Operations as to the adequacy of internal controls to account for funds as of the time of the audit. The report will be based on these fiscal audit findings and/or will comment on the field office history of exercising proper fiscal controls.

After reviewing the report from the Principal Internal Auditor, the Chief of Field Operations will forward a recommendation to the Deputy Director, Administration, for final approval or denial of the request. It is imperative that the field office receive written approval before it begins retaining cash receipts in excess of \$2,500.

Field offices receiving approval for overnight retention of cash receipts in excess of \$2,500 must conform to the guidelines established in BEAM Section 5417.

GUIDELINES FOR RETENTION OF CASH RECEIPTS IN EXCESS OF \$2,500

865.088

By following these procedures, and all other procedures outlined in this Cashiering Section, assets of the State will be better protected and an improved audit trail will be available should something happen to cash receipts in the field office.

Responsibility for the field office funds ultimately rests with the District Administrator/Branch Office Supervisor. However, accountability can and will be localized when these procedures are followed. Negligence or carelessness on the part of the person handling funds (cashier, assistant cashier, back-up cashier, bank messenger, etc.) which results in the loss of funds, will be considered inefficiency and inexcusable neglect of duty and may be grounds for disciplinary action. Failure of a supervisor to provide adequate training, conduct periodic reviews and implement proper control procedures may be cause for disciplinary action against the supervisor.

Cash Retention Guidelines — Over \$2,500

1. When there is no night deposit and the field office is retaining over \$2,500 cash, a completed deposit must be prepared for no less than the amount of currency exceeding \$2,500. Ideally, the deposit should include all currency, coin, and checks that will be banked by the field office the following working day.
2. In addition to the Report of Deposit, all required supporting documentation and adding machine tapes are to be prepared, including a cash tape as identified in (4) below. The field office must function as if they are going to make an additional deposit for the day. (See sections **865.000** through **865.030** and **870.000** through **870.060**.)
3. When plastic bank bags are used for the deposit, the bag number is to be typed on the bottom of the Report of Deposit to the right of center of the form.

When the deposit is completed, the designated reviewer will count and verify the funds. **The cashier must observe this verification process.** The reviewer will also verify the number of the plastic bag being used for the deposit with the number typed on the Report of Deposit. The Report of Deposit slips (all copies) will be signed and dated by the cashier and the reviewer.

CASHIERING

- Two dummy deposit slips, showing the signatures of the cashier and reviewer, will be made. The cashier and reviewer will each retain one of the dummy deposit slips. Attached to the two dummy deposit slips will be a copy of the check tape and a tape of the cash included in the deposit. The cash tape is to be broken down by denomination; whereas, the adding machine will reflect only the totals of each denomination of currency and coin. In front of each of these totals, on the adding machine tape, the denomination being counted, followed by a multiplication symbol, followed by the number of items included in the count will be written. When the cash tape is completed, it should look something like the following example:

\$ 1.00	x	34	34.00
5.00	x	29	145.00
10.00	x	22	220.00
20.00	x	38	760.00
50.00	x	46	2,300.00
100.00	x	36	3,600.00
.01	x	42	.42
.05	x	17	.85
.10	x	13	1.30
.25	x	25	6.25
			7,067.82

- The deposit will be placed in the night deposit bag by the cashier in the presence of the reviewer. The bag will be immediately sealed by the cashier and locked in the appropriate compartment in the safe. The cashier and reviewer must observe each other's functions throughout this entire process. At no time, from verification through placement in the compartment in the safe, should the funds be out of the view of either person.
- The dummy deposit slips will be retained by the cashier and reviewer in their respective desks (locked). These dummy deposit slips must be retained by each employee for a minimum of 90 days.
- If for any reason the deposit bag must be opened after the verification process described in (4) above, the cashier must open the bag in the presence of the reviewer and the entire verification process repeated after the required corrections/changes are made.
- Regular deposit and transmittal procedures will be followed on the next working day to ensure the money is deposited in the bank and the completed transmittal is forwarded to the Headquarters Cashier. If the cashier is going to be out of the office at the time this deposit will be picked up for delivery to the bank, the deposit will be transferred to the back-up/assistant cashier through the use of the STD-440, Transfer Receipt.

When plastic bank bags are used for the deposit, the bag number must be included on all copies of the transfer slip. As with any transfer, there will be three copies of the transfer document. One copy will go to the cashier, the second to the back-up/assistant cashier, and the third copy into the office control file. All transfers of the deposit must be done through the use of the STD-440 transfer document. The transferor and transferee must retain their copies of the STD-440's at their own work station, secured, for a minimum of 90 days.

9. The head cashier is the ultimate custodian of all cash receipts in the field office. Therefore, the head cashier must be the only person, other than the District Administrator/Branch Office Supervisor, with a key to the lockable container inside the safe that will hold the deposits being retained overnight. The key retained by the District Administrator/Branch Office Supervisor must be kept in a sealed/signed envelope in a locked desk or file cabinet. No other person can have access to the key retained by the District Administrator/Branch Office Supervisor. The head cashier must retain the key on her/his person at all times during working hours and the keys taken home at night. This key is not to be left unsecured at any time (i.e., in an unlocked desk, in a purse, in a locked desk or file cabinet when another person has access to the desk or file). The head cashier can only relinquish this key to the District Administrator/Branch Office Supervisor. There can be no exceptions to this policy.

If the lock to the container is a high security bi-axle cam lock, the District Administrator/Branch Office Supervisor can transfer the head cashier's key to the container from one head cashier to another. However, if the key to the lock can be duplicated, including those keys that are stamped "Do Not Duplicate," the lock to the container must be re-keyed or replaced each time the head cashier is changed.

If a third party gains access to one of the keys to this container or if the key is lost, the lock must be re-keyed or replaced immediately because accountability is lost as soon as the third person accessed the key. If the key can not be duplicated (high security bi-axle cam lock), and it is recovered immediately, it will not be necessary to do anything to the lock.

If the key that was lost is to a high security bi-axle cam lock, and it is not recovered immediately, a new high security bi-axle cam lock should be installed. The old lock, remaining key, and duplication authorization card should be forwarded to the Assistant Chief of Field Operations. The duplication authorization card is similar to a credit card that authorizes the holder to obtain a duplicate key to the lock identified by the card.

FREQUENCY OF DEPOSIT

865.090

Each office is expected to deposit by the following day the receipts of the district cashier and field representatives of the prior day's business plus, whenever possible, the mail receipts of the current day.

NOTICE OF LARGE DEPOSITS

865.100

Districts will notify the Cashiering Division of the State Treasurer's Office of deposits in excess of \$100,000 in any one day. The State Treasurer must receive this information by 1:30 p.m. of the day of the deposit. Where exact amounts cannot be determined accurately, districts will transmit a reasonably accurate estimate.

BANK PICKUP OF DAILY DEPOSITS — TYPICAL PROCEDURES**865.110**

(See BEAM 5423 et seq.)

Alternative One

- a. The bank messenger, when he/she picks up the deposit, acknowledges receipt on the report of deposit just as a teller at the bank would do.

Alternative Two

- a. The bank messenger, or armored car guard, picks up the deposit in a self-sealing plastic bag, which also contains the original and copy 2 of the Report of Deposit and for which he/she gives a receipt. (The cashier has made and retained one extra “dummy” copy of the report of deposit.) The daily transmittal (GA-603) and related remittance documents are forwarded at the regular time with the copy 3 and copy 4 of the Report of Deposit without bank signatures. This transmittal must not be delayed.

The pickup is scheduled late enough to allow the cashier to balance and prepare the deposit, but early enough to assure delivery to the bank for current day credit.

- b. At the bank, the messenger and a bank verifier open the bag and reconcile the currency, coin and checks with the report of deposit. After verification, the bank retains the original and duplicate Report of Deposit copies.

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CASHIERING

FIELD OFFICE CASH TRANSMITTAL REPORTS

870.000

PREPARATION FOR DAILY TRANSMITTAL

870.010

Remittance documents should be assembled in receipt number order; first, those for which cash register receipts were issued, followed by GA-602 receipts. Particular care should be taken to see that the correct effective date, receipt numbers and postmark dates are entered on all supporting documents.

Attach the cash register tape to those remittance documents which were rung up on the register. Staple the GA-602 receipts (white duplicate copy) to the individual remittance documents, keeping them in receipt number order. Proceed to prepare the Field Office Cash Transmittal Report, Form GA-603. See Cashiering Chapter Section **870.040** for an illustration of Form GA-603.

FIELD OFFICE CASH TRANSMITTAL REPORT — FORM GA-603

870.020

Field Office Cash Transmittal Report, Form GA-603, is prepared at each field office making bank deposits on each day that such deposits are made. The forms are numbered by the field office consecutively from “one” (1) beginning each fiscal year.

The “date” entered on the Form GA-603 is that on which the report is prepared. The branch or district office preparing the report enters its name in the space provided. The district portion is the district office, or district headquarters for branch offices, designation (AR, JH, KH, etc.).

Receipt numbers are entered in numerical order, with voided receipt numbers shown separately; first, show cash register receipts, followed by GA-602 receipts.

Total collections and deposits are entered in the spaces provided.

At the bottom of the form, enter the press number (serial number) of the Report of Deposit; number of checks deposited (from box on deposit slip); date sent to bank; how deposit was sent to bank; and amount of the deposit.

Totals of the deposits shown should agree with the amount of receipts. If a discrepancy exists between the two totals, the transmittal must be accompanied by Form GA-924.

The original Form GA-603 will be required in the Cashier Unit. Duplicate copies are prepared depending upon district or branch requirements.

Assemble remittance documents in receipt numerical order, then staple Form GA-603 on top of these documents. All other remittance documents for which no receipts were prepared are batched and stapled together separately from Form GA-603. Finally, all documents are mailed to the Cashier Unit in an envelope separate from other Headquarters mail. The envelope containing transmittals is addressed to:

STATE BOARD OF EQUALIZATION

PO BOX 942879 DEPT C

SACRAMENTO CA 94279-0001

LOST CASH TRANSMITTAL REPORTS**870.030**

When a Field Office Cash Transmittal Report, Form GA-603, with associated documents, receipts, tapes, and checks is reported lost, the District Administrator should be notified immediately by the cashier's supervisor. If the transmittal is for a branch office, the Branch Office Supervisor should be informed of the problem first, then he/she will inform the District Administrator.

The District Administrator, when informed of the missing transmittal, is to immediately notify the following:

Deputy Director, Sales and Use Tax

Deputy Director, Administration

Chief of Field Operations

Principal Internal Auditor

Headquarters Cashier

The office will attempt to locate the missing transmittal and attachments. If unsuccessful, the office, with the assistance of the Headquarters Cashier, will recreate as much of the transmittal as possible by use of transmittal duplicate copies, Report of Deposit records, tapes, receipts and any other supporting documents. If the missing support documents are not immediately located, the Account Analysis Section is to be notified of the problem so delinquency withholds may be placed. If the field office has a program in place to identify all transmittal payments processed by the mail opener and/or cashier, it will be much easier to recreate a transmittal should a loss occur.

CASHIERING

FIELD OFFICE CASH TRANSMITTAL REPORT (OVERAGE)

870.060

BOE-603 REV. 4 (5-81)

STATE BOARD OF EQUALIZATION
CASHIER

FIELD OFFICE CASH TRANSMITTAL REPORT

Date 09/16/92 Branch or Office Merced District D44 Transmittal No. 351

TRANSACTION CODE OR RECEIPT NUMBER			ALLOCATION — HEADQUARTERS OFFICE		
FROM	TO (INCLUSIVE)	AMOUNT	ITEM	AMOUNT	
D 000361	D 000366	183.30			
D 000387	D 000391	487.84			
TOTAL		671.14			

STD-442, REPORT OF DEPOSIT, NUMBER	NO. OF CKS	DATE SENT TO BANK	DEPOSIT BY: (CHECK ONE)			AMOUNT OF DEPOSIT	
			LOCK BAG	ARMORED TRANSIT	IN-PERSON		
925401	11	9/16/92			X	674.14	
TOTAL						\$ 674.14	

Cash Overage 3.00

☒ CERTIFIED CORRECT
FIELD OFFICE CASHIER
VERIFIED AND CLEARED
HEADQUARTERS OFFICE CASHIER
Date _____

COMPLIANCE POLICY AND PROCEDURES MANUAL

CASHIERING**SPECIAL ISSUES****875.000****RECORDS RETENTION****875.010**

The following information was extracted from the Board of Equalization Records Retention Schedule dated 08/08/88. The pertinent segment is for Business Taxes — Field Operations. This schedule is available from the Communications and Human Resources Division, Document Design and Control Unit, per BEAM 7403.

Listed below are the retention periods for various cashier related documents:

Form Number	Document	Period
	Cash Register Tapes (Office Copy)	1 year
	Armored Car or Courier Receipts	1 year
STD. 442	Report of Deposit (Office Copy) (STD. 442 or equivalent)	1 year
GA-602	Receipt Book (Office Copy)	1 year (plus one month)
GA-603	Field Office Cash Transmittal Report (District Office copy)	1 year

The following information is found in a variety of sources, and related to retention of assorted documents.

Form Number	Document	Period
GA-1083-A	Memorandum - Receipt Books, Permits, Certificates and Exemption Stickers	3 years, or until the supply of press numbered forms identified on the GA-1083-A is exhausted, whichever is later
GA-1083	Memorandum - Acknowledgement of GA-1083-A	Retain with matching GA-1083-A
Voided BT-111, BT-11-B's, (CPM 655.020, 655.034)		Retain for 3 years
	Blank Check Stock Transfer Log (SAM 8041)	Retain until audited

The above listing may not include all retained documents. Employees must check with their supervisors prior to disposing of any retained documents or materials which appear to have exceeded their retention period.

FISCAL YEAR CLOSING**875.020**

The end of the state fiscal year each June 30 requires a clean “break” in operations. All activities for the closing year must be completed and reconciled so the books can be closed. This impacts field office cashiers, requiring all funds processing activities to be completed using the special procedures outlined in the following paragraphs. The special actions required affect the last few working days of the fiscal year.

A. Day Prior to Last Working Day of the Fiscal Year

1. All receipts (GA-602) must be completed and turned in.
 - a. Verify that all holders of receipt books have forwarded all issued receipts to the cashier for processing.
 - b. Cashier work areas must be reviewed to determine all receipts have been accounted for and processed.
2. All deposits (STD. 442 or equivalent) must be made.
 - a. All receipted monies received on this day should be deposited on this day.
 - b. Cashier work areas must be reviewed to determine all deposits have been made.
 - c. All deposit slips through this day, and all prior days, must be received in the Headquarters Cashier Unit within five (5) days following the end of the fiscal year. Plan ahead! If an office has experienced delays in retrieving completed deposit slips from the bank that could exceed this time limit, make the deposits in a manner that will ensure timely return (hand deliver the deposits instead of using a courier service or night deposit).
3. The Field Office Transmittal Report (GA-603), which lists receipts and deposit slips, should be correctly dated and forwarded to the Headquarters Cashier Unit no later than the close of business on this day. This is necessary to prevent mixing of the work for the last two days of the fiscal year.

B. Last Working Day of the Fiscal Year

Only receipts and deposit slips issued and dated on the last working day of the fiscal year are to be considered the work of this day.

1. All deposits (STD. 442 or equivalent) prepared on the last day must be hand delivered to the nearest branch of the office’s authorized bank and the completed deposit slips retained by the employee making the deposit. Do not use courier service or night deposit methods on this day.
2. Two transmittals (GA-603) must be prepared, even if both are for “zero” amounts. Each transmittal will bear a separate transmittal number. The two transmittals inform the Headquarters Cashier Unit that all of the office’s transactions for the fiscal year have been completed.

The two transmittals are identified as follows:

- a. “Money in the Bank”: These are deposit slips acknowledged and dated on the last working day of the fiscal year by the bank. Write “BANK” on the lower left corner of the deposit slip.
- b. “Money in the Office”: These are deposit slips prepared on the last working day of the fiscal year, but not credited by the bank until July. This would normally include a deposit prepared late in the day, after banking hours. Write “OFFICE” on the lower left corner of such deposit slips.

CASHIERING

FISCAL YEAR CLOSING

(CONT.) 875.020

3. All transmittals deposit slips and payment support documents must be received by the Headquarters Cashier Unit within 2 working days of the end of the fiscal year. To ensure prompt arrival, Courier Express or overnight mail service must be used, and mail directed to the street location of the Headquarters Cashier Unit, as follows:

STATE BOARD OF EQUALIZATION
HEADQUARTERS CASHIER UNIT
450 N STREET, MIC:13
SACRAMENTO CA 95814

Any questions regarding fiscal year closing should be directed to Headquarters Cashier Unit, at (916) 323-2729 (leased line 473-2729).

SHORTCHANGE ARTISTS

875.030

Shortchange, or con artists, rely on their appealing, innocent, and trustworthy appearance to fool their victims and steal monies. Government agencies are not their usual targets, but the possibility a shortchanger will strike should not be discounted. Few of these criminals are ever convicted, partly because of the small “take” of each crime, and partly because the victim does not recognize the loss until some time later, if ever.

Shortchange artists perform their scams within a relatively short time frame. They manipulate their victims and take cash in the process. The techniques of applied psychology used by shortchange artists include:

1. Distraction – diverting the victim’s attention
2. Information overload – bombardment designed to produce confusion
3. Interpersonal skills or “charm” – or assertive, aggressive or authoritarian behavior
4. Confidence – behaving in a confident, positive, and convincing manner, making the victim doubt his or her own perceptions or memories.

Specific examples regarding shortchange schemes are not provided in this section. Recommended controls and procedures as adapted from a magazine article from the Fall 1989 edition of Internal Auditing are presented. The article is titled “The Short-Change Artist: A Threat to Cash”.

The following procedures should sharply reduce susceptibility to shortchanging schemes:

1. One transaction at a time — The transaction should follow a standard sequence: Identify and announce the total amount due; accept cash from the client and count it, announce the amount (“ ... out of \$25”); place the client’s money in a visible place on the change plate of the register; count back the change; place client’s money in the register and close the drawer.
2. Never give money to the client before receiving and counting their money. Although rule 1 implies this rule, its importance cannot be overstated. Most, if not all, shortchanging schemes could be foiled if this procedure is followed.
3. Don’t converse with the client while making change. You’ve already greeted the client. While handling money, ignore attempts to engage you in conversation. Keep to your task! If it’s important, the client can repeat the message after receiving the change.
4. Keep the cash drawer closed while talking with the client. Con artists who aren’t too good at their craft sometimes resort to snatch-and-run. A closed drawer also avoids their “reading the register”.

5. Don't buy money from a client. When a client pays a small liability with a large bill, then wants to "buy back" the large bill, don't do it! Never buy money from a client, even if you need it. Once you enter into such a transaction, the con artist has you in his or her net.
6. Notice markings on larger bills. Casually let the client know that you have noticed any special writing, ink blots, etc. on a larger bill. Sometimes an accomplice will later make a payment with a smaller bill, then assert they paid with a larger one, citing the irregular markings on the bills. Such a marked bill, left by a prior client, will of course be in the cash drawer, making it appear the current client is being shortchanged. If a shortchange scheme is in progress, your observation should discourage the attempt.
7. In case of a dispute, bring a supervisor into the matter. Take the client's name and number. After careful attention to procedures, the cashier should be reasonably confident about his or her accuracy. If the client claims to have been shortchanged, offer to check on this possibility when the register is counted. If a client becomes belligerent, call the police. If he or she leaves before the police arrive, try to have identifying information available. Be alert for the presence of accomplices.
8. Familiarize managers with the schemes. Alert and knowledgeable managers can intervene to stop shortchanging schemes. In addition to seeing that cashiers follow prescribed operating procedures, they can observe activities from an objective perspective and support the cashier.

Ours is a public service agency. Taxpayers, our clients, must never be treated in a manner inconsistent with the goals of our agency. The precautions presented in this section should influence the cashier's interaction with the public, but never should be used as an excuse to diminish the services we provide.

ROBBERIES

875.040

In the course of an attempted robbery state employees will surrender funds in their possession without resistance if they are threatened with violence or bodily harm. Remember, funds are replaceable, life is not!

In an emergency situation, emergency services should be contacted as soon as possible. Phone 911 (or 9-911 on leased phone line systems). Advise the operator of the situation, location, your name, and any specific needs.

Sometimes someone near the site who is not endangered is able to place a call while the robbery is still in process. Sometimes there are injuries or other complications. Tell emergency services of these facts. They will get help to the site as soon as possible.

Local police (or State Police in state buildings) usually have pamphlets, training materials, or presentations on handling an emergency situation which they are prepared to share upon request.

The information in the remaining paragraphs in this section are extracted from BEAM Section 2206 and SAM Section 0600.

CASHIERING

ROBBERIES

(CONT.) 875.040

Local offices or Headquarters sections shall notify the Chief, Administrative Services Division, within 24 hours of actual or suspected theft, defalcation or fraud. The Internal Audit Office shall also be notified. This also includes cases of fraudulent invoices and travel vouchers and other types of fraud whether or not cash is involved. In addition, as with any actual or suspected crimes involving all types of State property, supplies and funds, the State or local police shall be notified immediately in accordance with BEAM Section 5195. (See also SAM Section 2625.)

The State Police complete a California State Police Report of Crime on State Property, CSP Form 100. If the State owned or State leased property is not normally patrolled by the State Police, the crime must be reported to the local law enforcement agency. In these instances, the State agency reporting the crime shall complete the CSP Form 100.

The Chief, Administrative Services Division, will coordinate the completion of reports required by State Administrative Manual Section 0600 by filing a report with the Department of Finance, Financial and Performance Audits (FPA). This is to be done in writing no later than the first business day following the actual or suspected theft or irregularity.

Whenever tax payments, reinstatement fees, security deposits, or any other funds normally included in the deposit and transmittal to the Headquarters Cashier are stolen, the following steps should be taken:

1. Prepare transmittal documents and send them to the Headquarters Cashier with Form GA-924, Field Office Report of Cash Discrepancy.
2. Itemize all stolen funds by account number, and specify whether the money was in cash or a check.
3. Notify taxpayers that their checks have been stolen; ask them to stop payment on the stolen checks and furnish the Board with replacement checks.
4. Deposit these replacement checks and list them on transmittals as overages.
5. Send another Form GA-924 with these transmittals, explaining that the overages cover the previously reported losses.

Whenever the Change Fund or the Cash Purchase Fund is stolen, the District Administrator should telephone the Accounting Section – Revolving Fund Unit and the Internal Audit Office. A check will be furnished by the Accounting Section to replace the missing funds.

For circumstances regarding the reporting of lost, stolen or destroyed state property, information may be found in BEAM Section 2205.

Break-ins during non-work hours can potentially be averted by openly showing that cash registers are empty. Rather than locking cash registers at the end of the day after the contents are removed and stored overnight in the safe, the register drawers should be left open. If the cash registers are visibly empty, the temptation to potential burglars is reduced, as they should see that easy cash is not available.

COMPLIANCE POLICY AND PROCEDURES MANUAL

COUNTERFEIT CURRENCY**875.050****COUNTERFEIT BILLS IDENTIFIED TO THE TAXPAYER****875.051**

If the cash was payment for an accounts receivable balance, only valid funds will be credited to the balance. If the payment was for a tax return, the taxpayer has until the due date to provide replacement funds without assessment of penalty and interest.

A request for relief of penalty under R & T Code Section 6592 may be submitted for counterfeit bills which cause any return payments not to be paid timely.

DISCOVERED IN THE PRESENCE OF THE TAXPAYER**875.052**

When any bills are suspected to be counterfeit and the taxpayer is present in a Board office, the bills will be immediately verified by the office cashier. The office cashier must visually inspect and check bills with a counterfeit detector pen. If any counterfeit bills are detected, the cashier will verify with the nearest office of the U.S. Department of the Treasury that the bills are counterfeit. This can usually be done over the telephone.

When counterfeit bills are discovered the cashier will:

- Confiscate the counterfeit bills.
- Prepare a letter as a receipt giving a description of the counterfeit bills.
- Sign, date and give the letter to the taxpayer.
- Retain a copy of the letter.
- Follow the instructions given by the U.S. Treasury and deliver the counterfeit bills to a U.S. Treasury agent and obtain a U.S. Treasury receipt.
- The cashier **will not** credit the taxpayer's account for the counterfeit bills.

DISCOVERED NOT IN THE PRESENCE OF THE TAXPAYER**875.053**

When cash is accepted away from an office or received by mail, the quantity and denomination of the bills received must be recorded and segregated so they may be related to the taxpayer by the cashier. Tax representatives must record the denominations on the BT-609 and segregate the funds in individual envelopes for each receipt. The taxpayer must be immediately contacted regarding any counterfeit bills found. The conversation should include information about the confiscation of bills and the taxpayer's recommended course of action. A letter confirming the conversation and giving a description of the counterfeit bills must be sent immediately after the contact with the taxpayer. The letter should inform the taxpayer that a copy of the U.S. Treasury receipt will be sent as soon as possible.

COUNTERFEIT BILLS NOT IDENTIFIED TO THE TAXPAYER**875.054**Discovery by District Office:

If a non-segregated, Board receipted, counterfeit bill is discovered by the district prior to making a bank deposit, the district will immediately notify the Department of the U.S. Treasury, turn the bill over to a U.S. Treasury agent and obtain a U.S. Treasury Receipt for the bill from the agent. The district will forward the U.S. Treasury Receipt along with Form GA-924, Field Office Report of Cash Discrepancy, to the Headquarters Cashier. This is considered a cash shortage and the employee should follow the procedure for cash shortage as contained in Section **825.050**, Cash Discrepancy.

The district will forward a copy of the U.S. Treasury receipt and Form GA-924 in triplicate to the Accounting Section. This information is required by the Accounting Section to request relief from accountability.

COUNTERFEIT BILLS NOT IDENTIFIED TO THE TAXPAYER**(CONT.) 875.054**

All incorrect copies of the Report of Deposit, Forms STD. 442 through STD. 450 will be destroyed and corrected copies prepared for the deposit less the amount of the counterfeit currency. The U.S. Treasury receipt for the counterfeit currency will be returned as part of that day's work and submitted to Headquarters as part of the transmittal, to account for the shortage.

Discovery by Bank:

If a Board employee takes a deposit to the bank and a counterfeit bill is discovered by the bank clerk while counting the deposit, the employee will obtain a U.S. Treasury agent's receipt or a letter from the bank giving all pertinent data. The bank clerk will confiscate the bill. This letter must be on bank letterhead stationery and be signed by an official of the bank above the level of cashier.

When a bank notifies the district office that a counterfeit bill is in a deposit, the district office will:

- Inform the bank that a check will be issued to cover the bill.
- The district will request a U.S. Treasury agent's receipt or a letter from the bank giving all pertinent data. This letter must be on bank letterhead stationery and signed by an official of the bank above the level of cashier.
- The district will immediately telephone the Administrative Services Division, Accounting Section — Revenue Unit, requesting issuance of the check. The district will furnish the district office transmittal number, date, deposit number, amount of total deposit, bank number, and amount of the counterfeit bill.
- The Accounting Section will promptly send a check to the bank. The district office will receive a copy of the memo sent to the bank.
- The district will forward the receipt and/or letter and form GA-924, in triplicate, to the Accounting Section (MIC:23). This information is required by the Accounting Section to request relief from accountability.

COLLECTING AMOUNTS DUE**875.055**

Liabilities not paid due to counterfeit funds:

- No credit is to be given for counterfeit funds identified to a specific taxpayer.
- Specifically identified liabilities are to be collected in the same manner as a partial or no remittance return (Section 712.020), or as no payment made to an accounts receivable balance.

CASHIERING

APPENDICES

890.000

APPENDIX A — FORMS USED/ENCOUNTERED IN CASHIERING

890.010

Form Number	Form Name
BT-18	Unissued Receipts
BT-19	Administrator's Report of Unused Receipts
BT-111	Certificate of Motor Vehicle or Mobilehome Use Tax Exemption
BT-111-B	Certificate of Vessel Use Tax Exemption
BT-401	Returns — numerous variations
BT-404	Headquarters/District Office Document or Reinstatement Fee Action Requests Form
BT-424	Advice of Payment
BT-431	Notice of Hearing
BT-436	Receipt Control
STD. 440	Transfer Receipt
STD. 442	Report of Deposit — Bank of America
STD. 442P	Report of Deposit — Bank of America (HQ. use only)
STD. 444	Report of Deposit — Bank of California
STD. 446	Report of Deposit — Sanwa Bank of California
STD. 447	Report of Deposit — Union Bank
STD. 450	Report of Deposit — U.S. Bank of California
BT-487-C	Cash Deposit Advice
BT-511	Annual Flat Rate Fuel Tax Decal (main)
BT-511-A	Annual Flat Rate Fuel Tax Decal (year)
BT-511-B	Annual Flat Rate Fuel Tax Decal (month)
GA-602	Receipt Book
GA-603	Field Office Cash Transmittal Report
BT-609	Tax Representative's Daily Report
BT-621	Cashier's Daily Report
GA-626	Annual Verification of Funds
GA-904	Advice of Miscellaneous Receipts
GA-924	Field Office Report of Cash Discrepancy
BT-1035	Report of Cash Deposits Cleared and Special Deposit Account Checks Issued
GA-1083	Receipt Books, Permits, or Licenses (acknowledgment of press numbered forms)
GA-1083-A	Receipt Books, Permits, or Licenses Order of press numbered forms)
BT-1138	Order of press numbered forms)
BT-1150	Certificate of Excise Tax Clearance
BT-1210	Prepayment Forms — several variations
BT-1211	Billing
BT-1212	Billing
	Billing

COMPUTER OR VIDEO TERMINAL GENERATED FORMS; MISCELLANEOUS DOCUMENTS

Form Number	Form Name
AR 1	Emulation of BT-1210 or BT-1212
AR 7	Emulation of BT-424
BT-405PC	Installment Remittance Advice
	Questionable Tax Return Letters from Return Review Section

APPENDIX B — BATCH CONTROL NUMBERS — HEADQUARTERS

890.020

TAX RETURN/FORM BATCH NUMBERS ISSUED BY CASHIER UNIT

Sales and Use Tax

Prepay Forms	0001 — 0599	
Prepay Returns	0600 — 0999	
Prepay Returns	1500 — 1749	EFT 1750 — 1949
Prepay Returns	1950 — 1984	EFT 1985 — 1999
Prepay Returns	3000 — 3124	EFT 3125 — 3199
Prepay Returns	3200 — 3224	EFT 3225 — 3249
Prepay Returns	6000 — 6699	EFT 6700 — 6999
Regular Returns	1060 — 1349	EFT 1350 — 1449
Regular Returns	1450 — 1484	EFT 1485 — 1499
Regular & Consumer Use Tax Returns	2000 — 2649	EFT 2650 — 2949
Regular & Consumer Use Tax Returns	2950 — 2979	EFT 2980 — 2999
Regular Returns	3250 — 4499	EFT 4500 — 4999
SG Returns	5000 — 5034	EFT 5035 — 5049

Electronic Funds Transfer (EFT), Sales and Use Tax

EFT Prepayment Payments	7850 — 8249
EFT Fedwire Payments	7800 — 7825
EFT SG Payments	7826 — 7849
EFT Return Payments	8250 — 8799
EFT Return Payment Bad Credits	8800 — 8999

Use Fuel Tax

Regular Returns	7000 — 7499
Regular Returns (FW)	7500 — 7599

Vendor Use Fuel Tax

Regular Returns	7600 — 7799
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Diesel Fuel Tax

DJ Returns	9000 — 9011
DG Returns	9015 — 9026
DD Returns	9031 — 9042
AV Returns	9047 — 9058
DB Returns	9063 — 9074
AB Returns	9080 — 9091
AU Returns	9096 — 9125
DH Returns	9131 — 9180
DI Clean Returns	9200 — 9299
DI Dirty Returns	9300 — 9349
IF Dirty & Clean Returns	9400 — 9450

Motor Vehicle Fuel

Regular Returns (MD)	8000 — 8005
Prepay Returns (MD)	8006 — 8007
Regular Returns (MB)	8010 — 8015
Regular Returns (Jet Fuel) (MD)	8020 — 8025
Floor Stocks Returns (FT)	9510 — 9549

CASHIERING

APPENDIX B — BATCH CONTROL NUMBERS — HEADQUARTERS

(CONT. 1) 890.020

TAX RETURN/FORM BATCH NUMBERS ISSUED BY CASHIER UNIT

Hazardous Substance

Regular Returns (Facility Fee) (HF)	8200 — 8204
Regular Returns (Solid Waste) (WD)	8300 — 8320
Regular Returns (Environmental Fees) (EF)	8400 — 8499
Regular Returns (Hazardous Substance) (HA/HS)	8500 — 8549
Regular Returns (HA/HD)	8630 — 8631
Regular Returns (Generators Operating Fee) (HA/HG)	8805 — 8894

Oil Spill Fee

Regular Returns (Administration) (OA)	8016 — 8017
Regular Returns (Response) (OR)	8026 — 8027
Cigarette & Tobacco Products	
CS (Nat. railroad Pass Corp.) (RHCS01)	5050
CR/CY	5051 — 5055
Regular Returns (Cigarette Manufacturers) (CM/CV)	5060 — 5065
Regular Returns (Cigarette Manufacturers) (MW/CX)	5070 — 5075
CP Returns	8030 — 8040
CA Returns	8230 — 8274
CL Returns	8280 — 8286
CO Returns	8290 — 8296

Alcoholic Beverage

DW/DY Regular Returns (Beer Manufacture)	8100 — 8110
DW/DY Regular Returns (Beer/Wine Importer)	8111 — 8130
DW/DY (Winegrowers)	8131 — 8150
DW/DY (Beverage Floor Tax)	8151 — 8155
DS/DX (Common Carriers)	8156 — 8165
DS/DX (Distilled Spirits)	8166 — 8185
Floor Stocks Returns (DA)	9610 — 9799

Underground Storage Tank Fee

Regular Returns (TK/TY)	8550 — 8599
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Tire Recycling Fee

Regular Returns (RB)	9800 — 9999
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Telephone Users Surcharge

Returns (TU)	5080 — 5085
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Energy Resources Surcharge

Regular Returns (EU)	5090 — 5095
Regular Returns (EC)	5100 — 5105

Timber Tax

Regular Returns	9600 — 9609
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ACCOUNTS RECEIVABLE BATCH NUMBERS ISSUED BY CASHIER UNIT

All Programs

Sales and Use Tax	101 — 103
Use Fuel Tax	070 — 073
Motor Vehicle Fuel Tax (MD)	8008 — 8009
“ “ “ “ (MB)	8018 — 8019
“ “ “ “ (MJ)	8028 — 8029
Hazardous Substance Tax	
HF	800 — 804 (Surcharge)
EF	805 — 809
HG	810 — 814
HB	815 — 817
HB (Fed)	818 — 819
HA/HY	820 — 849
HS	850 — 854
HC	855 — 857
HC (Fed)	858 — 859
WD)	860 — 864 (Annual
WD	865 — 869 (Quarterly)
HF /TTU (Transportable Treatment Unit)	777 — 779
HF	780 — 785 (Permit by Rule)
HF	786 — 789 (Facility Generator)
HF	795 — 799 (Facility)
Occupational Lead (OL)	790 — 794
Waste Disposal Fees (HD)	920 — 921

Excise Taxes

Oil Spill Fee (OA)	925
Oil Spill Fee (OR)	926
Alcoholic Beverage Tax	
DS/DY (Common Carriers)	900—909
DW/DY (Beer Manuf.) (Beer/Wine Imp.) &(Winegrowers)	910—914
DW/DY (Beverage Floor Tax)	915 — 919
Alcohol Floor Stock Tax	931 — 940
Underground Storage Tank Fee (TK/TY)	870 — 899
Tire Recycling Fee (RB)	981 — 985
Cigarette Distributor	5056 — 5059
Cigarette Manufacturers	5066 — 5069
Cigarette Manufacturers	5076 — 5079
Telephone Users Surcharge	5086 — 5089
Energy Resources Surcharge	5096 — 5099
“ “ “ “	5106 — 5109

CASHIERING

APPENDIX B — BATCH CONTROL NUMBERS — HEADQUARTERS

(CONT. 3) 890.020

ACCOUNTS RECEIVABLE BATCH NUMBERS ISSUED BY CASHIER UNIT

Diesel Fuel	
DJ A/R	9012 — 9014
DG A/R	9027 — 9029
DG SEC. A/R	9030
DD A/R	9043 — 9045
DD SEC. A/R	9046
AV A/R	9059 — 9061
AV SEC. A/R	9062
DB A/R	9075 — 9078
DB SEC. A/R	9079
AB A/R	9092 — 9094
AB SEC. A/R	9095
AU A/R	9126 — 9129
AU SEC. A/R	9130
DH A/R	9181 — 9184
DH SEC. A/R	9185
DI A/R	9350 — 9358
DI SEC. A/R	9359
CP A/R	941 — 945
CA A/R	8275 — 8279
CL A/R	8287 — 8289
CO A/R	8297 — 8299
CR (Floor Tax) No Returns	300—398
Cig. Seiz. Tax	399

APPENDIX C — REVIEW LIST — FREQUENCY OF VARIOUS TASKS**890.030**

Task	Primary Responsible Party
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DAILY

Open Incoming Mail	Mail Opener
Prepare Report of Deposit	Cashier
Prepare Field Office Cash Transmittal	Cashier

MONTHLY

BT-18, Monthly Receipt Report	Field/Cashiering Supervisor, Receipts Custodian
BT-19, Administrator's Monthly Report of Unused Receipt Books	District Administrator

QUARTERLY

Count of Change Funds, Over \$200	Employee other than cashier
Preparation of GA-626 for above	District Administrator

YEARLY

Count of Change Funds, \$200.00, and less	Employee other than cashier
Preparation of GA-626 for above	District Administrator

FISCAL YEARLY

Prepare deposits to "cleanly break" with the fiscal year, plus special handling.	Cashier
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AS NEEDED

Issuance of Receipt Books	Receipts Custodian
Reissuance of Receipt Books	Receipts Custodian
Order Receipt Books	Receipts Custodian
Safeguard Unissued Receipt Books	Receipts Custodian
Accept Counter Payments	Cashier
Write Receipts — Payments in Office	Cashier
Accept Field Payments	Field Representative
Write Receipts — Field Payments	Field Representative
Order of Report of Deposit Forms	Cashier
(When only a 3 month supply remains)	
Order of Controlled Forms	Cashier
(BT-111, BT-111-A)	

CASHIERING

APPENDIX D — SIMPLIFIED PROCESS OUTLINE

890.040

